0220-05208-0000

TRANSMITTAL

TO	DATE	COUNCIL FILE NO.
City Council	3/10/16	

FROM	COUNCIL DISTRICT
The Mayor	ALL

Request for Additional Resources to Establish and Implement A Citywide FLEX Benefits Wellness Program

Transmitted for your consideration. See City Administrative Officer report attached.

MAYOR (Ana Guerrero)

MAS:JMY:11160051ct

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 9, 2016

CAO File No. 0220-05208-0000
Council File No.
Council District: All

To: The Mayor

From: Miguel A. Santana, City Administrative Officer

Reference: Personnel Department transmittal dated January 12, 2016; referred by Mayor for report

Subject: **REQUEST FOR ADDITIONAL RESOURCES TO ESTABLISH AND IMPLEMENT A CITYWIDE FLEX BENEFITS WELLNESS PROGRAM**

SUMMARY

The Personnel Department (Personnel) requests resolution authority for two positions, one Senior Personnel Analyst I and one Personnel Analyst II, to provide staff support for the establishment and implementation of a Citywide FLEX benefits wellness program. This wellness program is being developed under the auspices of the Joint Labor Management Benefits Committee (JLMBC) and would be funded by $1.8 million, which has been made available by Blue Shield, one of the City's healthcare medical service providers. According to Personnel, through the City's original contract, Blue Shield would provide $900,000 to the City annually for two years for wellness-related programs. These funds would expire if unused and could not be carried forward. Personnel and Blue Shield have negotiated continued use of the entire $1.8 million through the contract term end date of 2016. In November 2015, the JLMBC adopted a proposed resource and implementation plan for the FLEX benefits wellness program and identified a need for dedicated staffing resources to move forward expeditiously to develop the wellness program within the time constraints of the available funds.

Since submission of its request, Personnel reports that $900,000 of the $1.8 million has been received by the City from Blue Shield and deposited into the Employee Benefits Trust Fund. Further, on March 3, 2016, JLMBC approved funding from the Employee Benefits Trust Fund for the two positions through June 30, 2017. To provide staff support to establish and implement this wellness program, it is recommended that resolution authority be provided for these two positions at this time and funding be transferred in the Year-End Financial Status Report once the Department has filled the positions, and the salary amount is known. It is anticipated that the balance of funds will be used for consulting and communication services as outlined by the JLMBC.

The duties and responsibilities of the requested positions are as follows: The Senior Personnel Analyst I will be dedicated to the design, administration, and management of a Citywide FLEX

benefits wellness program, administering and overseeing contracted wellness resources, reporting to the JLMBC, City management, and elected officials regarding the development, implementation, and outcomes of the wellness program, and documenting and measuring the results of the program. The Personnel Analyst II will serve as the wellness program training, communications, events, and program coordinator and will assist in the administration of the program and contracted resources.

Both positions are subject to allocation by the Civil Service Commission. The Personnel Analyst II position is subject to paygrade determination by the Office of the City Administrative Officer. The Department has submitted a budget request to continue these positions in fiscal year 2016-17.

RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize by resolution the following positions within the Personnel Department, for the period through June 30, 2016 to establish and implement a Citywide FLEX benefits wellness program, subject to position allocation by the Civil Service Commission and paygrade determination by the Office of the City Administrative Officer:

No.	Class Code	Class Title
1	9167-1	Senior Personnel Analyst I
1	1731-2	Personnel Analyst II

FISCAL IMPACT STATEMENT

There is no additional impact on the General Fund. Funding will be transferred to the Personnel Department Salaries General Account in the Year-End Financial Status Report. Funding for these positions in future fiscal years will be subject to the City's annual budget process. Thus, this recommendation complies with the City's Financial Policies.

MAS:JMY:11160051

Attachment

BOARD OF CIVIL SERVICE COMMISSIONERS
Room 360, PERSONNEL BUILDING

SUZANNE M. STEINKE
PRESIDENT

NANCY P. McCLELLAND
VICE PRESIDENT

COMMISSIONERS:
GABRIEL J. ESPARZA
JEANNE A. FUGATE
JONATHAN M. WEISS

BRUCE WHIDDEN
COMMISSION EXECUTIVE DIRECTOR

CITY OF LOS ANGELES
CALIFORNIA

ERIC GARCETTI
MAYOR

PERSONNEL DEPARTMENT
PERSONNEL BUILDING
700 EAST TEMPLE STREET
LOS ANGELES, CA 90012

Wendy G. Macy
GENERAL MANAGER

2016 JAN 15 PM 3:05
CITY ADMINISTRATIVE OFFICER

CITY OF LOS ANGELES
2016 JAN 14 PM 3:00
OFFICE OF THE MAYOR
RECEIVED

January 12, 2016

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

Subject: 2015-16 INTERIM BUDGET REQUEST - CIVILIAN FLEX BENEFITS WELLNESS STRATEGY AND PROGRAM RESOURCES

In accordance with Executive Directive No. 3, attached for your review and approval is an interim budget request for Personnel Department resources to support a Civilian Flex Benefits Wellness Program.

Background

In February 2015, the Joint Labor Management Benefits Committee (JLMBC) established an Ad Hoc JLMBC Health and Wellness Subcommittee ("the Subcommittee"). This 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. Upon the recommendations of the Subcommittee, on November 12, 2015, the JLMBC adopted a proposed resource and implementation plan for a Flex Benefits Wellness Program. The JLMBC and Personnel Department find that the most fundamental keys to success for a credible and sustainable Flex Benefits Wellness Program include 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.

In connection with this action, the Personnel Department is requesting resolution authority for two staff positions in Fiscal Year 2015-2016 to provide the organizational resources to establish and administer the program, and direct the effective utilization of available contracted resources. The attached interim budget request provides detailed information on the requested resources, proposed outcomes and performance metrics, and position descriptions.

Fiscal Impact

This interim budget request is for six months funding of $98,689, and resolution authority for two positions. The Personnel Department has also included a request to continue these resources as part of our Fiscal Year 2016-2017 Proposed Budget.

Please contact Gregory Dion at 473-3470 with any additional questions.

Respectfully submitted,

Wendy Macy
General Manager

Attachment
cc: Jenny Mach Yau, CAO

REPORT FROM

THE PERSONNEL DEPARTMENT

TO: Personnel and Animal Welfare Committee	DATE December 6, 2015
REFERENCE:	COUNCIL FILE
SUBJECT: **Civilian Flex Benefits Wellness Program Strategy and Resources**	

RECOMMENDATION:
That the City Council:

(a) Receive and file this report from the Joint Labor-Management Benefits Committee (JLMBC) and the Personnel Department regarding a resource and implementation plan for a Flex Benefits Wellness Program;

(b) Authorize resolution authorities in the Personnel Department from January 1, 2016, through June 30, 2016, subject to allocation of the positions by the Civil Service Commission and subject to approval of pay grades by the City Administrative Officer, to provide the necessary staffing resources to implement the Flex Benefits Wellness Program as follows:

No.	Class Title
1	9167-1 Senior Personnel Analyst I
2	1731-2 Personnel Analyst II

(c) Appropriate $98,689 to the Personnel Department, Fund 100/Department 66, Account 1010 Salaries General.

SUMMARY:
The City's Joint Labor-Management Benefits Committee (JLMBC) and the Personnel Department's Employee Benefits Division administer the City's Civilian Flex Benefits (Flex Benefits) Program for active City civilian employees and their qualified dependents. The JLMBC is composed of five management and five labor representatives. The Flex Benefits Program includes approximately 24,000 City employees and their 32,000 dependents. The Program offers employees a suite of health, dental, life, disability, employee assistance and tax-advantaged savings programs.

A long-standing and important objective of the JLMBC has been the creation of a comprehensive and robust Wellness Program for the Flex Benefits population. The JLMBC and Personnel Department are pleased to present their adopted resource and implementation plan for a Flex Benefits Wellness Program, which was adopted by the JLMBC on November 12, 2015. In connection with this action, the Personnel Department is requesting resolution authority for two staff positions in Fiscal Year 15/16 to provide the organizational resources to establish and administer the program, and direct the effective utilization of available contracted resources.

A. BACKGROUND

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 reviewed the following:

- **May 9th, 2015** – Personnel Department introductory report regarding Wellness options and strategies.
- **June 5th, 2015** - Presentations from the City's incumbent healthcare providers (Kaiser & Blue Shield) regarding their Wellness-related resources.
- **June 12th, 2015** – Presentation from the County of Riverside regarding their Wellness Program strategies, programs and results.
- **August 14th 2015** – Presentation from Safeway Corporation regarding their Wellness Program strategies, programs and results.
- **October 15th 2015** – Presentation from the Personnel Department regarding a proposed resource and implementation plan for a Flex Benefits Wellness Program.

Upon the recommendations of the Subcommittee, on **November 12, 2015**, the JLMBC adopted a proposed mission statement/metrics, and resource and implementation plan, for a Flex Benefits Wellness Program. The JLMBC and Personnel Department find that the most fundamental keys to success for a credible and sustainable Flex Benefits Wellness Program include 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. Further details follow.

B. PROGRAM MISSION & METRICS

"Wellness" is a subjective term which can be interpreted and applied in a variety of ways. Employers offering Wellness programs may do with different objectives or emphases (e.g. financial, educational, engagement, etc.) depending on the unique circumstances and needs of their workforce. The JLMBC found that a crucial first step was clearly defining what Wellness should mean for the purposes of the Flex Benefits Program by articulating the program's mission and objectives.

A primary emphasis for the JLMBC is on improving results with respect to chronic care conditions. Chronic care conditions such as heart disease, diabetes, hypertension and depression are prevalent in the City's workforce as they are across the nation. According to one source, approximately 70% of healthcare costs in this country are attributable to chronic care conditions, and approximately 40-45% of the U.S. population has some form of chronic illness. Chronic care conditions are highly responsive to behavioral choices, both positive and negative. Chronic care conditions can be prevented, mitigated, or managed to better outcomes if individuals are engaged with the proper resources, made aware of empowering information, and perhaps most importantly feel supported by their employers in changing behaviors which can improve their overall health and wellbeing.

In order to successfully engage Flex members, the JLMBC believes that it will be crucial to structure the Flex Wellness program around engagement, education, and creating a culture of wellness. The JLMBC believes that this emphasis is necessary in order to build trust with the City's workforce and communicate the City's interest in and commitment to supporting each individual's health and well-being because it values that as an end in and of itself. In light of this, the JLMBC defined a mission statement for the Wellness Program as follows:

To support our members in making progress on a continuum of improving health, with a particular focus on behaviors impacting the prevention, treatment and incidence of chronic disease.

Progress in fulfilling this mission would be measured by outcomes in some or all of the following broad measurements:

- Increasing utilization of personalized educational and support services
- Increasing member awareness of personal health and biometric data
- Improving outcomes in a variety of key health indicators related to metabolic syndrome, body mass index, nutrition, tobacco use, stress impact, etc.

C. BUILDING A RESOURCE & IMPLEMENTATION PLAN

Based on feedback from the JLMBC's consultants, healthcare providers, and other employer wellness program administrators, the JLMBC determined that the keys to successful wellness programs include:

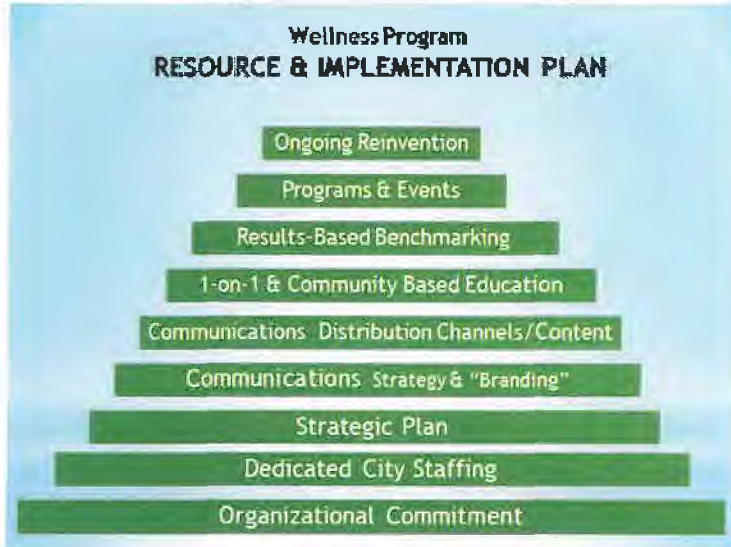
- **Securing long-term and broad-based organizational commitment;**
- **Dedicating the necessary organizational resources to establish a credible and sustainable program; and**
- **Establishing an organizational mission and a coherent long-term strategy for targeting and achieving measurable outcomes.**

Meeting these objectives for the City's Flex Program and population will require organizational commitment and vision. This will involve a combination of dedicated internal and external resources.

The JLMBC intends to proceed strategically with a focus on building the necessary infrastructure to establish, sustain and grow the Wellness Program over time. By creating and reinforcing a strong base of support, the Wellness Program can demonstrate to Flex members a clear mission, communications coherence and effectiveness, and the credibility of the City's commitment to member health and well-being.

This infrastructure can be thought of as a pyramid of resources (see visual right →). A crucial objective is to establish a service delivery resource model that can incorporate but "sit above" the City's health plans, rather than being primarily structured around each health plan's independent wellness resources. The JLMBC believes this is important in order to meet several critical objectives:

- Establishing and aligning a universal mission, goals, strategies and tactics;
- Ensuring consistency of communication content and messaging;
- Providing a common platform for disseminating information and providing gateway access to multiple resources; and
- Creating universal benchmarks and data management.



This service delivery model can be established by incorporating service providers into the program which specialize in Wellness administrative or counseling services, as well as providers specializing in assisting with designing goals, benchmarking outcomes, and measuring success. Following is a brief discussion of each layer of the resource and implementation plan adopted by the JLMBC:

(1) Organizational Commitment – Organizational commitment involves the commitment of the City's elected officials, the JLMBC, the Personnel Department, and all City departments in supporting the objectives of the Wellness Program. This commitment manifests in the dedication of resources, modeling a culture of wellness, communicating the goals and resources of the program, and otherwise supporting Flex members on their unique health journeys.

(2) Securing City Staffing – Dedicated City staffing is necessary to drive the program forward, interact with stakeholders and gatekeepers, and direct the use of contracted resources.

(3) Strategic Planning – Under the direction of and in consultation with the Personnel Department and JLMBC, the JLMBC will identify and utilize a contracted consulting resource to assist in the creation of a detailed strategic plan for developing, implementing and administering the Wellness Program. The strategic plan will cover multiple years and include defining the program's mission, goals, objectives, strategies, and measurements of success, including objectives related to **engagement** (employee participation in various Wellness-related programs), **awareness** (employee knowledge of certain essential information that is a prerequisite for changing behavior), and **outcomes** (measurable health-related outcomes in areas such as chronic disease incidence, adherence to treatment protocols, etc.).

(4) Communications Strategy/Branding – This will involve branding the program and developing a communications strategy at the Flex Program level (rather than by health plan provider), such that all Wellness-related communications are consistent, coherent, and aligned with the Flex Program's and the Wellness Program's mission and strategy.

(5) **Communications Distribution Channels/Content** – This will involve development of common-platform distribution channels and content. This will likely include creation of a Flex-branded wellness portal and educational content designed to engage members and raise their awareness of information promoting behaviors conducive to positive health outcomes. This information must necessarily be provided through resources possessing the expertise and qualifications to communicate around complex and personalized topics such as nutrition, exercise, stress management, etc.

(6) **Wellness Education/Counseling** – This will involve identifying and utilizing a contracted in-person educational/counseling services provider which would have the objective of engaging, educating, and raising awareness among the City's population as part of creating a "culture of wellness" and helping members successfully access all of the Flex Program's health and wellbeing resources. **Effective and sustained engagement/communication is the key to raising awareness of information which can influence behaviors and impact health outcomes; it represents the most critical function in meeting the Wellness Program mission.** Providing personalized counseling/education services is a service delivery model similar to that used by other Wellness Program administrators (for example, the Los Angeles City Employees' Retirement System and Safeway Corporation) as well as to the model used in the City's Deferred Compensation Plan. In this model, on-site local counselors are present on a full-time basis at various City locations for the sole purpose of engaging and educating employees, helping them navigate available resources, and creating opportunities for peer-based and community-driven interaction around health and well-being topics.

(7) **Benchmarking/Data Management** – For the Wellness Program to create and improve upon success, it is necessary to set goals, benchmark results, and assess results and outcomes. As a result, another crucial component of the proposed Wellness Program will involve identifying and utilizing a contracted resource for benchmarking and data management services, so that the Flex Plan can track and benchmark certain aggregate data related to a variety of data points including employee engagement, awareness, and health outcomes. As with the local counseling service, this would be done at the Flex Program level rather than the level of the individual medical plan providers, to assure data consistency. Precedent for this approach was found with Safeway Corporation, which established a custom benchmarking service as a key resource in driving the success of its program.

(8) **Programs & Events** – Under the direction of City staff, this would involve promotional event-based behavioral programs (such as walking programs, smoking cessation programs, HRA promotion, biometric screening, etc.) that are coordinated within the communications branding, long-term plan, and defined goals/objectives/strategies/metrics.

Funding resources to launch these contracted services are available under the City's current contract with its medical services provider Blue Shield. Blue Shield allocates $900,000 annually for Wellness related services, which the Flex Program has not been able to utilize in the past because the Personnel Department lacks the staffing resources to direct the program. The City has negotiated with Blue Shield to combine its annual allocations for calendar years 2015 and 2016 into a cumulative resource of **$1.8 million** for funding the various contracted resources included within this report. Beyond 2016, Wellness funding and other support resources from the City's medical carriers will be a particular focus in the Flex Program's procurement for health-care service providers, which will be launched in early 2016.

One of the objectives relative to the Blue Shield funding resources is to utilize those resources prior to conclusion of the Blue Shield contract term in December 2016. The Personnel Department has developed an execution strategy which will allow it to utilize those resources provided that the City can quickly provide the necessary staff resources to administer the program.

D. FY 15/16 RESOLUTION AUTHORITY – DEDICATED CITY WELLNESS STAFFING

Presently, the Personnel Department's Employee Benefits Division has no staffing resources available to direct and administer a Wellness program. Dedicated internal resources are the first measure of demonstrating organizational commitment and are necessary in order to oversee the development of Wellness strategic planning, oversee the use of contracted resources, facilitate relationships between contracted resources and departmental liaisons involved in specific wellness initiatives, and report to the JLMBC, City Council and other stakeholders on the progress of Wellness activities.

The Personnel Department is moving forward with a request for dedicated staffing resources for a Flex Benefits Wellness Program as part of the FY 16/17 budget request. However, as part of this report, the Personnel Department is requesting Resolution Authority funding for these positions in FY 15/16.

Specifically, the Department is proposing establishing a Senior Personnel Analyst I and Personnel Analyst II position to spearhead the Wellness Program. The requested positions will be responsible for developing strategies/goals/objectives for the City's Wellness Program. They will further be responsible for facilitating the use of service provider relationships in developing and implementing a range of Wellness-related programs and services, as well as working with service providers to benchmark specific data points, create goals, and measure outcomes related to engagement, awareness, health outcomes, and financial outcomes. **Resolution authorities allowing the City to fill these positions in FY 15/16 will provide the resources to ensure that the Flex Program is able to fully utilize the $1.8 million in Blue Shield available Wellness funding prior to December 31, 2016.**

The execution strategy allowing the City to utilize the Blue Shield Wellness funding is summarized in the following table:

Priority Ranking	Service	Contracted Resource	Allocation Amount for 10/15 – 12/16	Completion Date
1	Strategic Plan Development	Wellness or Benefits Consultant	$50,000	2/28/16
2	Program Branding and Communications Strategy	Wellness or Benefits Consultant	$50,000	3/31/16
3	Development of Electronic/Print Communications	Wellness or Benefits Consultant	$250,000	4/30/16
4	Development of group and individual counseling resources	Wellness or Benefits Consultant/ Counselors/ Local Service	$250,000	5/31/16
5	Benchmarking service data accumulation and reporting / goal-setting	Benchmarking and Data Management Firm	$200,000	6/30/16
6	Promotional events such as walking, smoking cessation, nutrition, and other programs.	Health plans and/or separate wellness program providers	$1,000,000	6/30/16
		Total-->	**$1,800,000**	

To the extent that items 1-5, upon further exploration, fall below projected expenditures, additional funding would be available for promotional programs under item 6.

The essential and ongoing duties and responsibilities of these staff positions are summarized as follows:

Senior Personnel Analyst I

(i) Administering the use of contracted Wellness resources, including programs offered by the City's healthcare and other benefit service providers, consulting services, communications services, and other specific service related to administration of the Wellness Program, up to and including any necessary procurements for services not offered under existing Flex program service arrangements;

(ii) Reporting to the JLMBC, City management, and elected officials regarding the development of the Wellness Program; and

(iii) Documenting and measuring the results of Wellness programs using agreed-upon statistical metrics.

Personnel Analyst II

(i) Providing training and facilitating relationships between the City's contracted Wellness resources and departmental liaisons;

(ii) Overseeing and generating communication resources for use in promoting the program and educating the City's Flex population regarding available Wellness resources; and

(iii) Facilitating specific Wellness-related programs and initiatives.

The annual cost of these positions represents approximately $1/10^{th}$ of one percent of the overall expenditures of the City's Flex Program – a modest investment relative to the potential long-term benefits of a Wellness program, whether measured in the form of engagement, health outcomes, or potential financial impact.

The Personnel Department is therefore requesting resolution authorities in the Personnel Department from January 1, 2016, through June 30, 2016, subject to allocation of the positions by the Civil Service Commission and subject to approval of pay grades by the City Administrative Officer, to provide the necessary staffing resources to implement the Flex Benefits Wellness Program as follows:

No.		Class Title
1	9167-1	Senior Personnel Analyst I
1	1731-2	Personnel Analyst II

This would require an appropriation of $98,689 to the Personnel Department, Fund 100/Department 66, Account 1010 Salaries General.

E. NEXT STEPS

Upon securing Council approval/funding for the requested resolution authorities for FY 15/16, the Personnel Department will proceed to fill the positions and proceed in cooperation with the JLMBC to implement its execution strategy.

F. FISCAL IMPACT

The fiscal impact of this request would be the salary costs for the two staff positions identified in this report, which are estimated at approximately $98,689 for FY 15/16.

WENDY G. MACY, CHAIRPERSON
JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE

Joint Labor-Management Benefits Committee
COMMITTEE REPORT 16-08

JOINT LABOR-MANAGEMENT BENEFITS COMMITTEE MEMBERS:
Management
Wendy G. Macy, Chairperson
June Gibson
Tony Royster
Matthew Rudnick
Miguel Santana

Employee Organizations
Cheryl Parisi, Vice-Chairperson
Paul Bechely
Chris Hannan
David Sanders
Gregory West

Date: February 20, 2016

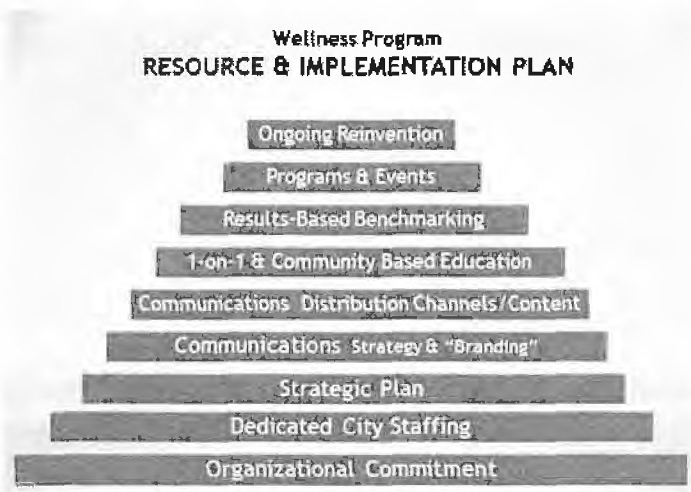
To: Joint Labor Management Benefits Committee

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

[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.[2] 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.

---

[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.

2015 Wellness Funding: $900,000			
Service	**Resource**	**Allocation Amount Through June 2017**	**Completion Date**
	Starting Balance -->	**$ 900,000**	
Expense: Staffing	Two professional staff positions	$ (389,496)	6/30/2017

2016 Wellness Funding: $900,000			
Service	**Resource**	**Allocation Amount Through December 2016**	**Completion Date**
	Starting Balance -->	**$ 900,000**	
Expense: Strategic Planning Development	Wellness or Benefits Consultant	($18,000)	4/7/2016
Expense: Coro Fellow Program	Research and Analysis	($7,000)	4/7/2016
Expense: Program Branding and Communications Strategy	Wellness or Benefits Consultant	($25,000)	6/30/2016
Expense: Development of Electronic/Print Communications	Wellness or Benefits Consultant	($100,000)	9/30/2016
Expense: Procurement and development of group and individual counseling resources	Wellness or Benefits Consultant/ Counselors/ Local Service Provider	($100,000)	12/31/2016
Expense: Procurement and development of data management and website-development services	Data Management and Web Development Provider	($200,000)	12/31/2016
Expense: General Wellness Consulting Services	Wellness or Benefits Consultant	($150,000)	12/31/2016
Expense: Engagement and Promotional Programs	Various	($810,504)	12/31/2016
	Ending Balance -->	**$ (0)**	

Submitted by:

Steven Montagna