

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



873

FROM: Human Resources Dept.

SUBMITTAL DATE: August 7, 2003

SUBJECT: Parity and Classification Study Recommendations for Nursing Classifications as outlined in Resolution No. 440-8495.

RECOMMENDED MOTION: That the Board of Supervisors approve Recommendations 1-8 as described and amend the Class and Salary Listing of Ordinance No. 440 pursuant to Resolution No. 440-8495; and, by minute order, approve the Recommended Changes to the SEIU Memorandum of Understanding shown in Attachment A (details are shown in Attachment B).

BACKGROUND: The recruitment and retention of nurses has been an ongoing problem for the past several years, but has reached a critical stage for Riverside County Regional Medical Center. There are two main contributing factors: 1) the inability to attract and retain new graduates due to a low starting salary, and 2) turnover. Given the increasing patient census (246 in FY 2001/02 to 272 in FY 2002/03) and current RN staffing levels, we periodically are forced to divert patients to be treated elsewhere, resulting in lost revenue. With successful implementation of these recommendations, we hope to be able to hire and retain sufficient regular employees to meet our business needs and reduce the amount spent for per diem and registry nursing each year (\$3,419,000 spent on registry in 2001/02 fiscal year).

(continued on page 2)

Ronald W. Komers,
Asst. County Executive Officer/
Human Resources Director

FINANCIAL DATA:

CURRENT YEAR COST: \$484,908

ANNUAL COST: \$581,889

NET COUNTY COST: \$9,766

IN CURRENT YEAR BUDGET: YES

BUDGET ADJUSTMENT: NO

FOR FY: 03/04

SOURCE OF FUNDS: See chart on last page.

C.E.O. RECOMMENDATION: APPROVE

COUNTY EXECUTIVE OFFICER SIGNATURE

Policy
 Policy
 Consent
 Consent

Department Recommendation:
Per Executive Office:

Prev. Agn. Ref.

Dist. ALL

AGENDA NO.

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**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.37

COUNTY OF RIVERSIDE
OFFICE OF THE CLERK OF THE BOARD
EXECUTIVE
AUG 13 2003

BACKGROUND continued:

Related, are new AB 394 staffing requirements, which become effective January 1, 2004. These requirements mandate minimum nurse to patient staffing ratios on a shift-by-shift, day-by-day basis. In addition to meeting staffing needs caused by an increasing census, we will need to achieve a net increase of 25-50 RNs to meet the State mandate.

These compensation recommendations will help alleviate the current nurse staffing and retention problems, but will also change and enhance our current recruitment strategies to be competitive in the marketplace. Although 61 new employees were hired in 2002, we also lost 50 nurses due to resignations, terminations or retirements in that same period. That is a net gain of only 11 RNs. So far in 2003, we have hired 43 RNs and lost 36, due largely to resignations, followed by retirements and other terminations, giving us a net increase of 7 RNs, which indicates that we are still not making significant gains in the overall number of RNs. Related, is that per diem nurses have become more than half of the total nursing staff. It is a goal at RCRMC to reduce this to no more than 20% of all nursing staff. Therefore, we must place a priority not only in recruiting, but also in retaining our experienced RNs.

RECENT ACTIONS:

In April 2002, the County of Riverside made major changes to address our nursing recruitment and retention issues by consolidating Acute Care, Clinic Health, Mental Health and Registered Nurses into one new five-level Registered Nurse (RN) series. These changes allowed for internal employee promotions and recruitments at all levels (previously limited to entry level hiring), created much more flexibility in allowing nurses to work across departmental lines, and has enabled us to hire more experienced, educated nurses who can render quality patient care.

In October 2002, a Nurse Retention Survey was conducted at RCRMC and the Inpatient Treatment Facility (ITF). The survey focused on scheduling, the work environment and nurse retention and recruitment strategies. There were 100 respondents at RCRMC and 30 at ITF who gave their feedback to management. The feedback was appreciated and has been taken into consideration when revising or creating new operational strategies. It also shed light on workplace factors leading to turnover.

In December 2002, RCRMC conducted its first Job Fair/Open House, which was a tremendous success. Fourteen full-time RNs were hired. Another Job Fair was held in February of this year resulting in 16 full-time RNs being hired. Recruitment is currently underway for 50 additional full-time RN positions.

In March, 2003, we implemented an Employee Referral Award Program to encourage employees to recruit and refer candidates that they believe would be an excellent addition to the County.

SALARY SURVEY DATA:

Survey data from Southern California County public hospitals indicates that Riverside County RN salaries are currently "at market". The data shows our journey-level base salaries to be comparable with Los Angeles and San Bernardino counties, while ahead of Ventura County. When benefit programs were considered, Riverside County is slightly ahead of market based on "total compensation".

When comparing our salaries to other local hospitals, the picture is mixed. Our journey level (RN III) salaries are behind average salaries of the major private hospitals in our area such as Kaiser Permanente, Loma Linda, and Riverside Community. However, our salaries are comparable to private hospitals such as Community Hospital of San Bernardino, Moreno Valley Community and Inland Valley Regional Medical Center. Even when local private hospitals are included with public hospitals, our base salaries are behind the total market by an average of only 0.8%. The private hospitals were very reluctant about giving out exact benefit data, so no total compensation data is available for this analysis, but Riverside County provides better benefits than the average for private hospitals.

In comparing ourselves to the above hospitals, our position in the market will be even better in 2004 with the scheduled 6.7% increase (4% in March and an additional step of 2.7% in September.)

Of interest, the average hiring rate among county and private hospitals is \$22.66 per hour for new graduates, while we hire new grads at \$19.06 per hour (step 3), approximately 18% behind the market.

COMPENSATION RECOMMENDATIONS:

Human Resources worked jointly with RCRMC and Community Health Agency management to create the following recommended actions. In consideration of the County's anticipated budget shortfall and RCRMC's ongoing budget concerns, we limited our recommendations to specific problem areas at RCRMC that need to be immediately addressed, in order to improve our ability to recruit both new college graduates and experienced RNs, reduce our turnover and retain RNs on shifts where they are critically needed.

We recommend:

1. That the new hire hourly rate for RN I be increased from \$19.06 (Step 3 of SEU 365) to \$22.34 (Step 9 of SEU 365). This increase in the RN I new hire rate will allow us to compete and attract licensed new graduates. RNs with experience and/or certifications will continue to be hired at a salary commensurate with their experience.
2. That the new hire rate for the Interim Permit (IP) Nurse be increased from \$18.46 (Step 1 of SEU 376) to \$21.07 (Step 6 of SEU 376). The IP Nurse classification allows the County to hire newly graduated nursing students who are applying or waiting for their RN license. IP Nurses are given six months to obtain their license and then are promoted to RN I to begin their nursing career. Currently, there are no IP Nurse incumbents.
3. Modifying the salary range minimums for RNs and IP Nurse to reflect the above proposed new hire rates. This will require salary adjustments to approximately 38-40 RNs, whose current salary rate will fall below the new minimum of the revised salary range, and will cost approximately \$169,187. The current and proposed plan/grades for RN I-V and IP Nurse are as follows:

<u>Current Plan/Grade and Salary Range</u>		<u>Proposed Plan/Grade and Salary Range</u>
IP Nurse	SEU 376 L10 (\$38,391 – 48,744)	SEU 376 L10 (\$43,822 - 48,744)
RN I	SEU 365 L13 (\$37,602 – 51,651)	SEU 365 L13 (\$46,458 - 51,651)
RN II	SEU 400 L13 (\$39,642 – 54,472)	SEU 400 L13 (\$47,704 - 54,472)
RN III	SEU 445 L13 (\$41,785 – 57,421)	SEU 445 L13 (\$47,704 - 57,421)
RN IV	SEU 490 L13 (\$44,289 – 60,880)	SEU 490 L13 (\$47,959 - 60,880)
RN V	SEU 532 L13 (\$46,707 – 64,189)	SEU 532 L13 (\$50,569 - 64,189)

4. Modifying the salary range minimums for the Public Health Nurse (PHN) series. There will be no change in the salary range maximums. This will require salary adjustments to approximately 5-10 PHNs whose current salary rate will fall below the new minimum of the revised salary range, and will cost approximately \$17,700. The current and proposed plan/grades for PHNs are as follows (not all classes in this series will be affected).

<u>Current Plan/Grade and Salary Range</u>		<u>Proposed Plan/Grade and Salary Range</u>
PHN I	SEU 424 L10 (\$41,149 – 52,202)	SEU 424 L10 (\$46,962 – 52,202)
PHN II	SEU 472 L10 (\$43,376 – 55,024)	SEU 472 L10 (\$46,962 – 55,024)
PHN III	SEU 508 L10 (\$45,731 – 58,037)	SEU 508 L10 (\$46,962 – 58,037)
PHN IV	SEU 556 L10 (\$48,214 – 61,198)	NO CHANGE
PHN V	SEU 532 L13 (\$46,707 – 64,189)	SEU 532 L13 (\$49,253 – 64,189)
SR PHN	SEU 556 L10 (\$48,214 – 61,198)	NO CHANGE

5. That the Preceptor Pay differential be increased from \$1.00 to \$5.00 per hour. A preceptor is a seasoned clinical nurse who provides daily instruction, evaluation and support to a new RN. It is also recommended to remove the limit of 41 preceptors from the current Services Employees International Union (SEIU) Memorandum of Understanding (MOU). There will be no maximum number of preceptors. The total cost of this increase is expected to be approximately \$44,000. Encouraging good precepting is aimed at reducing the turnover rate among new RNs. In 2002, out of 26 terminations, 23 were voluntary and occurred within the first year of employment. A good "mentor" relationship between preceptor and new hire would enhance a welcoming environment from the time the new hire starts work until he/she becomes effective on the job and comfortable in their new environment.
6. That the night shift differential be increased from \$3.00 to \$5.00 per hour for employees in the classifications of RN I, II, III, IV and V working at RCRMC (primarily 12 hour shifts). RCRMC has difficulty in recruiting and retaining nurses for the night shift (it is too easy to leave for day jobs elsewhere). This increase would affect approximately 98 RNs at RCRMC for a total cost of approximately \$272,000, and is designed to reduce turnover among nurses working night shift.
7. That the evening shift differential be increased from \$2.00 to \$4.00 per hour and the night shift differential from \$3.00 to \$5.00 per hour for employees in the classifications of RN I, II, III, IV and V working at the Inpatient Treatment Facility (ITF) (primarily 8 hour shifts). ITF experiences extreme difficulty in recruiting and retaining nurses for the evening shift as well as the night shift. There are currently 12 nurses working the evening shift. The total cost for existing employees is approximately \$79,000.

8. That any Public Health Nurse I, II, III, IV, V or Senior who is a licensed RN working at RCRMC, ITF or any RCRMC outpatient clinic be allowed to receive the applicable premium/differential for the unit, shift differential and/or overtime rate for the time worked. Allowing this flexibility will provide incentive for PHNs to work overtime and assist RCRMC in meeting its staffing requirements. PHNs do not currently receive a comparable overtime rate of pay when working in these areas.

IMPLEMENTATION:

Although we are faced with tightened budgets for fiscal year 2003-2004, we need to address some of the basic nursing recruitment and retention problems. Hopefully, implementation of these changes will make it possible for RCRMC to meet the California minimum nurse to patient ratio requirements when AB 394 is finalized and adopted.

The recommended actions have been reviewed, discussed with, and are supported by RCRMC, Community Health and Mental Health management as well as SEIU. The costs of the recommended actions will, by agreement with SEIU, be charged to the year 2000 – 2004 Memorandum of Understanding parity pool. A summary of recommended changes to the 2000-2004 MOU, which incorporates the recommendations in this Form 11, is included in Attachment "A". The details of recommended changes to the 2000-2004 MOU that occurred in the Health and Allied Occupational Group Study (Resolution #8325) and Registered Nurse Consolidation Study (Resolution #8408) are included in Attachment "B".

The total annual cost of the recommended actions is approximately \$581,889. However, the true financial impact will be significantly lower than what is projected because of offsetting savings in registry dollars spent each year. The cost of implementing this study is primarily borne by RCRMC, with lesser impacts on the Community Health Agency and Mental Health. If approved, these recommendations will be effective September 4, 2003. The departmental cost breakdown is as follows:

	Total Cost	Grants & Fees	Enterprise Funds	Other Sources*	Net Ann Cnty Cost
RCRMC	\$531,864		\$531,864		
CHA	\$39,063	\$27,344			\$11,719
Mental Health	\$10,962			\$10,783	\$179
Totals:	\$581,889	\$27,344	\$531,864	\$10,783	\$11,898

*Other funding sources for Mental Health consists of: Realignment 13.35%, Federal 3.28%, FFP 20.15%, State 58.85%, and Third Party 2.73%.

