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October 20, 2015

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Subject: Adoption of the Amendment to the 2014-2017 Memorandum of Agreement (MOA) between the County of Ventura and the California Nurses Association. (Proposed Salary and Benefit increases – No Material Impact on Funding Status of Retirement System)

Recommendations:

It is recommended that your Board:

1. Commence a public hearing on the adoption of an Amendment to the 2014-2017 Memorandum of Agreement (MOA) between the County of Ventura and the California Nurses Association (CNA); and,
2. Waive the second hearing required by Article 20, Section 2006B of the Personnel Rules and Regulations and adopt the terms of the Amendment at the conclusion of this hearing

Fiscal/Mandates Impact:

Mandatory: No [X] Yes []
Source of Funding: HCA
Funding Match Required: No
Impact on Other Departments: None

Summary of Fiscal Impact:

	<u>FY 2015-16</u>
Total Cost	\$ 800,000
Total Revenue	\$ 800,000
County Cost	\$ 0

California Government Code Sections 31515.5 and 23026 require that the County give written notice of any salary and benefit changes, including an explanation of the financial impact of the change on the funding of the county's retirement system. The total increases due to the recommended action will not cause retirement costs to increase more than VCERA's actuarially assumed four percent (4%) and therefore are not expected to negatively impact the funding status of the retirement system.

Background:

In June 2014, your Board approved a recommended three year MOA between the County of Ventura and the CNA through June 10, 2017. In addition to providing an offset so employees would participate, on a 50:50 basis, in the payment of the "normal" cost associated with their retirement, the MOA also provided general salary increases to enhance the recruitment and retention of skilled and qualified nurses.

Recently, the Ventura County Medical Center has had staffing shortages in the Operating Rooms at the Ventura County Medical Center ("VCMC") and Santa Paula Hospital ("SPH"). As a result, on July 28, 2015, your Board approved a Market Based Premium Pay of up to \$25 an hour for those nurses assigned as Surgical Circulating Registered Nurses. To date, VCMC and SPH have continued to have problems with recruitment and retention issues in other areas. For example, within the last month, the County lost six (6) nurses who work the night shift in the Emergency Department (ED). And presently, there are 61 nurses assigned to the Emergency Department (ED) and 31 nurses assigned to the Intensive Care Unit (ICU) between Ventura County Medical Center ("VCMC") and Santa Paula Hospital. There exists a total of 12 vacancies (or approximately 15% of the unit) for regular full time positions in the ED unit and another 6 vacancies (or approximately 16% of the unit) in the ICU unit.

The ED area cares for patients at a truly emergent time of need. As VCMC is a Trauma Center, there is an additional burden on these nurses to be rapidly available for the County's most dramatic injuries through our Trauma Center's services, while additionally remaining available for the urgent and critical medical needs of our community. The ICU area contains some of the most seriously ill and injured patients in the hospital. Currently, as a result of the overall vacancies in the unit, an extra burden has been placed on management and staff for staff replacement attributed to vacancies.

Additionally, due to the high competing demands for nurses with these skill sets, there has been an apparent shortage of these nurses in Ventura County. Further, even outside Nursing Registries, which are a traditional source of temporary emergency staffing, are experiencing similar difficulty and thus are unable to provide RNs possessing the requisite skill sets.

To enable the Director of the Health Care Agency (or his designee) to promptly respond to changing and competitive labor market conditions, it is recommended that your Board approve the attached amendment to the existing MOA with CNA to create a Market Based Premium Pay (MBPP) for employees employed in the classifications of Registered Nurse I, Registered Nurse II and Senior Registered Nurse-Hospital who are assigned to the ICU or ED units at VCMC or SPH.

This premium pay is similar to the MBPP provision in the SEIU Local 721 MOU. The amount of the premium pay adjustment of \$8 per hour will be provided as a result of a recently completed labor market survey of comparable positions which included comparison several counties. The survey found that County nurses in these units with 10 years of experience are approximately 14.5% behind the market and County nurses with 30 years of experience are approximately 23% behind the market. This concept and similar contractual language has been long used to allow VCMC to successfully compete within the local healthcare market for similar high-demand staff including Pharmacists, Pathologists, Occupational and Physical Therapists, and Radiological positions.

Other areas that are not receiving the aforementioned MBPP above (ED, ICU and OR circulating surgical nurses) will receive a premium pay of 6% in order to enhance recruitment and retention for all other areas represented by CNA while we work towards a more permanent solution, such as a wage re-opener, wherein a total compensation benchmark study will be utilized to identify the full component of the total compensation structure. The total estimated impact for the 60 day market based premium is approximately \$800,000, or \$500,000 for the nurses receiving the 6% premium and approximately \$300,000 for the nurses assigned to the ED and ICU units.

This proposed premium pay will be utilized temporarily, beginning with final adoption by your board. As previously stated, it will help to enable the County to recruit and retain nurses while the County and CNA continues discussions to address the recruitment and retention issues faced and explore various, more permanent, alternatives by your board. As previously stated, it will help to enable the County to recruit and retain nurses while the County and CNA continues discussions to address the recruitment and retention issues faced and explore various, more permanent, alternatives.

On October 19, 2015, the County and CNA representatives met and reached a tentative agreement regarding the above.

This letter has been reviewed by the County Executive Office, the Auditor-Controller's Office and County Counsel. If you have any questions regarding this item, please call me at 654-5088.

Respectfully,


Catherine D. Rodriguez
Assistant CEO/Labor Relations Director


Michael Powers
County Executive Office

cc: Matt Carroll, Assistant County Executive Officer
Paul Derse, Assistant County Executive Officer/Chief Financial Officer
Jeff Burgh, Auditor- Controller
Leroy Smith, County Counsel
Shawn Atin, Director – Human Resources
Barry Fisher, HCA Director
California Nurses Association

Attachments:
Exhibit 1 – MBPP Amendment