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## New Hampshire Veterans Home

139 Winter Street  
Tilton, NH 03276



Margaret D. LaBrecque  
Commandant

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February 3, 2016

Her Excellency, Governor Margaret Wood Hassan  
And the Honorable Council  
State House  
Concord, New Hampshire 03301

### REQUESTED ACTION

Pursuant to New Hampshire RSA 99:8, Increases for Recruitment Purposes and in accordance with Per 904.01 of the Rules of the Division of Personnel, Request for Temporary Increase, authorize the New Hampshire Veterans Home (NHVH) to implement a fifteen percent (15%) base hourly wage enhancement to nursing staff currently paid under the Institutional Nurse (N130) pay scale for recruitment and retention purposes. This request is projected to increase funding by \$161,448 for the balance of three months of FY 16 and \$637,921 in FY 17. Funds are available due to vacancy savings in 05-00043-043-430010-5359-010, NH Veterans Home, Professional Services.

Funding source: 33% Federal Funds, 33% General Funds, 34% Other.

This enhancement would be effective upon Governor & Council approval through March 9, 2018 or period of 24 months from date of such approval, whichever is later.

### EXPLANATION

The NHVH is experiencing intense difficulty in filling and retaining nursing positions in the current labor market. The local and state unemployment rate has remained under 4 percent over the past year which indicates the economy is at full employment. Nursing staff are increasingly eligible for retirement consistent with the state employee population. Consequently employers are pursuing "passive" candidates for vacant positions. Passive candidates are employees who are not actively seeking employment. To be successful at recruiting passive talent, the NHVH must be competitive with the candidate's current compensation.

Table 1 New Hampshire Veterans Home Registered Nurse Positions

Classified Position	Labor Grade	Authorized positions	Vacant		
			2016	2015	2014
Director of Nursing	34	1	0	0	0
Asst. Director of Nursing	29	1	0	0	0
Registered Nurse I	19	3			
Registered Nurse II	21	21	3	1	1
Registered Nurse III	23	10	3	2	2
Nurse Specialist	25	5	1		
Nurse Coordinator	27	6			
Nurse Practitioner	28	2	0	1	1
Licensed Practical Nurse I	16	15	3	2	
Licensed Practical Nurse II	18	1			
<b>Totals</b>		65	10	6	4
<b>Vacancy Rate</b>			15%	9%	6%

The above table illustrates a trend where the vacancy rate in nursing positions at NHVH is significantly increasing each year, and has more than doubled in 2 years. Time to fill the critical position of Nurse Practitioner was two years, and there has been no response to the posting of the position of Nurse Specialist, a mid-management position which in the past would have attracted internal applicants. With only one applicant for the Nurse Practitioner, the Home was able to negotiate a comparable wage by starting the candidate at a step 8. This will not help retention as no further increases will be available for the employee. As a state agency, not only has the Veterans Home not had the flexibility to adjust to the current labor market conditions, it is now forced to use drastic actions to provide safe levels of resident care. These actions include mandating overtime, denying annual time off, hiring and utilizing per diem staff and delaying promotions. Such actions are contributing to the declining morale and engagement levels of the workforce.

Table 2 Turnover Rates by Position

Turnover Rates in key positions					
	Authorized Positions	2015	2014	2013	
Licensed Practical Nurse	16	37%	56%	31%	
Registered Nurse I	3	200%	67%	33%	
Registered Nurse II	21	52%	38%	33%	
Registered Nurse III	10	30%	20%	10%	

Table 3 Length of Time in Position of Terminations

Time in position of terminations							
Position	Terminations						
	2015		2014		2013		
	Total #	% of ee terms w/in 5 years of hire*	Total #	% of ee terms w/in 5 years of hire	Total #	% of ee terms w/in 5 years of hire	
Licensed Practical Nurse I	6	50%	8	35%	4	25%	
Licensed Practical Nurse II	0	0	1	0	1	0	
Registered Nurse I	6	100%	2	100%	1	100%	
Registered Nurse II	11	72%	8	87%	7	100%	
Registered Nurse III	3	100%	2	50%	1	0	

Percentage of employees who terminated from position within 5 years of hire.

Table 2 and Table 3 reflect the NHVH's nursing turnover rate and the percentages of nursing employees who are terminating within 5 years of their hire date. These rates are troubling not only because they are high, but also because of the pace that they are increasing, with the exception of the LPN turnover rate in 2015. Turnover cost at a minimum, is 150% of the base salary of the replaced employee. These constant disruptions in the workplace interfere with the effective and efficient management of resident care and impede the Home's ability to develop and promote employees. While some turnover is desirable such as involuntary terminations, the negative impact of turnover over time is highly disruptive to developing a talent pipeline and sustaining an engaged workforce. Nurse Managers are filling in staffing gaps and are unable to provide needed coaching and development activities to grow employees.

Many factors contribute to the NHVH's inability to effectively compete in the nursing labor market. First and foremost, state salaries are not competitive with area employers. Table 4 below reflects the wages in the local labor markets compared to the state salary schedule.

Table 4: NH Occupational Employment & Wages -2015

	Entry level Wage	Median Wage	Experienced Wage	
<b>Registered Nurse</b>	RN I Step 1	RN II Step 4	RN III Step 4	
Laconia-Belmont	\$25.31	\$31.24	\$35.87	
Concord	\$24.24	\$30.87	\$35.85	
State Wage	\$23.24	\$28.48	\$31.14	
State vs Laconia-Belmont area	91.8%	91%	86.	
<b>Nurse Practitioner</b>				
Laconia-Belmont	Not available	Not available	Not available	
Concord	\$34.89	\$44.98	\$50.40	
State Wage	\$33.93	\$39.57	\$45.43	
State vs Concord area	97%	88%	90%	

The opportunity for development and education is another area where the NHVH is finding it difficult to compete. In the past, the state would provide tuition benefits to employees. This was an excellent recruitment tool to attract and retain nurses who wanted to continue their education, particularly those wanting to earn a bachelor's degree. With healthcare and technology advancements, nursing competencies must be constantly updated. Not only do other employers provide training and educational benefits, but more and more are offering educational loan repayments, flexible scheduling to attend classes and on site learning opportunities.

Finally, the number of openings in the nursing field is projected to exceed supply over the next decade in all geographic areas. In New Hampshire the Economic and Labor Market Information Bureau is projecting the growth rate of job openings to be 19% for registered nurses, 30% for nurse practitioners and 24% for licensed practical nurses. Private employers are adapting to the increased competition for a limited supply of applicants. There are at least 12 licensed nursing homes in the Belknap /Merrimack area at this time. At the same time, the top seven areas of concentration for current and recent nursing students are legal nurse consultant, nurse midwife, nurse anesthetist, travel nurse, holistic nursing, informatics nurse specialist and surgical nursing. Nursing home or gerontology nursing majors is not among the top picks for nursing careers. The supply of nurses for vacancies in nursing homes will not keep pace with the accelerated demand as New Hampshire residents continue to age.

Without the timely intervention of an enhancement of the nursing salary schedule, NHVH will not be able to fill critical mission positions and will lose ground in attracting competent new talent. As positions take longer to fill, an increased workload on existing employees will have a detrimental effect on the quality of services as well as increase the already high level of turnover of staff.

Your favorable action on this request would be appreciated.

Respectfully Submitted,



Margaret D. LaBrecque  
 Commandant

Governor Hassan and Honorable Council  
February 3, 2016  
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**From:** Willingham, Sara J.  
**Sent:** Tuesday, February 02, 2016 4:04 PM  
**To:** Leeming, Alice  
**Subject:** RE: RE: Request for a 15% Enhancement of the N130 Institutional Nurses Pay Scale

Thank you for submitting your justification letter and supporting wage documentation to support a 15% enhancement for the nursing employees at the NH Veterans Home who are compensated on the Institutional Nurse (N130) pay scale.

Under Personnel Rule 904.01(a), an appointing authority may request a temporary increase in the compensation of a class by submitting a comparison of salaries in the appropriate industry and geographic location, including occupations which are comparable to the state classification for which the increase is sought.

I have reviewed the wage and compensation materials you submitted for positions in similar occupations, and find you have met the documentation requirements of the Personnel Rules. Therefore you may proceed to Governor and Council with your request for this temporary 15% enhancement for the nursing employees at the NH Veterans Home who are compensated on the nursing pay scale (N130), for a period not to exceed 24 months.

*Sara J. Willingham, Director of Personnel*  
*NH Division of Personnel*  
*28 School Street*  
*Concord, NH 03301*  
*(603) 271-3359 FAX (603) 271-1422*  
[sara.willingham@nh.gov](mailto:sara.willingham@nh.gov)

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Nurse Pay Scale (N130) Effective January 8, 2016

FY 2016		15% Enhanced Pay													
# Positions	Title	LG	Step	Hourly Rate	Annual Salary	Annual for # of Positions	New Hourly rate	Annual Salary	Enhanced \$ for # of Positions	Fund	Agency	Orgn	Cls	Hours Wk	
1	Director of Nursing	34	4	\$50.76	\$105,580.80	\$105,580.80	\$58.37	\$121,417.92	\$121,417.92	10	43	5359	10	40	
1	Ast. Director of Nursing	29	4	\$40.37	\$83,969.60	\$83,969.60	\$46.43	\$96,565.04	\$96,565.04	10	43	5359	10	40	
3	Registered Nurse I	19	4	\$26.25	\$54,600.00	\$163,800.00	\$30.19	\$62,790.00	\$188,370.00	10	43	5359	10	40	
21	Registered Nurse II	21	4	\$28.48	\$59,238.40	\$1,244,006.40	\$32.75	\$68,124.16	\$1,430,607.36	10	43	5359	10	40	
10	Registered Nurse III	23	4	\$31.14	\$64,771.20	\$647,712.00	\$35.81	\$74,486.88	\$744,868.80	10	43	5359	10	40	
5	Nurse Specialist	25	4	\$33.93	\$70,574.40	\$352,872.00	\$39.02	\$81,160.56	\$405,802.80	10	43	5359	10	40	
6	Nurse Coordinator	27	4	\$36.99	\$76,939.20	\$461,635.20	\$42.54	\$88,480.08	\$530,880.48	10	43	5359	10	40	
2	Nurse Practitioner	28	4	\$38.61	\$80,308.80	\$160,617.60	\$44.40	\$92,355.12	\$184,710.24	10	43	5359	10	40	
15	Licensed Practical Nurse I	16	4	\$23.24	\$48,339.20	\$725,088.00	\$26.73	\$55,590.08	\$833,851.20	10	43	5359	10	40	
1	Licensed Practical Nurse II	18	4	\$25.23	\$52,478.40	\$52,478.40	\$29.01	\$60,350.16	\$60,350.16	10	43	5359	10	40	
65						\$3,997,760.00				\$4,597,424.00					
															\$599,664.00

**\$161,448.00 Balance FY16**  
 \* 4/1/16 7 pay periods remaining

FY 2017		15% Enhanced Pay													
# Positions	Title	LG	Step	Hourly Rate	Annual Salary	Annual for # of Positions	New Hourly rate	Annual Salary	Enhanced \$ for # of Positions	Fund	Agency	Orgn	Cls	Hours Wk	
1	Director of Nursing	34	5	\$54.23	\$112,798.40	\$112,798.40	\$62.36	\$129,718.16	\$129,718.16	10	43	5359	10	40	
1	Ast. Director of Nursing	29	5	\$42.94	\$89,315.20	\$89,315.20	\$49.38	\$102,712.48	\$102,712.48	10	43	5359	10	40	
3	Registered Nurse I	19	5	\$27.93	\$58,094.40	\$174,283.20	\$32.12	\$66,808.56	\$200,425.68	10	43	5359	10	40	
21	Registered Nurse II	21	5	\$30.28	\$62,982.40	\$1,322,630.40	\$34.82	\$72,429.76	\$1,521,024.96	10	43	5359	10	40	
10	Registered Nurse III	23	5	\$33.15	\$68,952.00	\$689,520.00	\$38.12	\$79,294.80	\$792,948.00	10	43	5359	10	40	
5	Nurse Specialist	25	5	\$36.12	\$75,129.60	\$375,648.00	\$41.54	\$86,399.04	\$431,995.20	10	43	5359	10	40	
6	Nurse Coordinator	27	5	\$39.39	\$81,931.20	\$491,587.20	\$45.30	\$94,220.88	\$565,325.28	10	43	5359	10	40	
2	Nurse Practitioner	28	5	\$41.18	\$85,654.40	\$171,308.80	\$47.36	\$98,502.56	\$197,005.12	10	43	5359	10	40	
15	Licensed Practical Nurse I	16	5	\$24.68	\$51,334.40	\$770,016.00	\$28.38	\$59,034.56	\$885,518.40	10	43	5359	10	40	
1	Licensed Practical Nurse II	18	5	\$26.78	\$55,702.40	\$55,702.40	\$30.80	\$64,057.76	\$64,057.76	10	43	5359	10	40	
65						\$4,252,809.60				\$4,890,731.04					
															\$637,921.44
TOTAL ACTUAL FINANCIAL IMPACT FY 16 & FY 17 BIANNIUM															\$799,369.44

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