MEMORANDUM

TO: Chairs of Senate Appropriations Committee on Justice and Public Safety
Chairs of House Appropriations Subcommittee on Justice and Public Safety
Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety

FROM: Erik A. Hooks, Secretary

RE: Nurse Staffing at State Prisons/Plan to Attract and Retain

DATE: December 1, 2017

Pursuant to Session Law 2017-57, SECTIONS 16C.11B.(a) and 16C.11B.(b):

***SECTION 16C.11B.(a)**, The Department of Public Safety shall report the following information to the Joint Legislative Oversight Committee on Justice and Public Safety by December 1, 2017:*

(1) The total number of permanent nursing positions allocated to the Department, the number of filled positions, the number of positions that have been vacant for more than six months, and information regarding the location of both filled and vacant positions.

(2) The extent to which temporary contract services are being used to staff vacant nursing positions, the method for funding the contract services, and any cost differences between the use of permanent employees versus contract employees.

(3) Any other information the Secretary deems relevant.

***SECTION 16C.11B.(b)** The Department of Public Safety, in conjunction with the Office of State Human Resources, shall develop a plan to (i) reduce the use of contract services to provide nursing in State prisons and (ii) attract and retain qualified nurses for employment in permanent positions in State prisons. The plan shall take into consideration market comparisons of salary and retention for nurses employed in private sector locations that are the same or similar to existing prison locations. The Department shall report its findings and recommendations to the Joint Legislative Oversight Committee on Justice and Public Safety by December 1, 2017.*

NURSE STAFFING AT STATE PRISONS

(1) The total number of permanent nursing positions allocated to the Department, the number of filled positions, the number of positions that have been vacant for more than six months, and information regarding the location of both filled and vacant positions.

For purposes of this report, "nursing positions" are defined as those in the Registered Nurse (RN) and Licensed Practical Nurse (LPN) job classifications.

As Figure 1 indicates, as of 11/28/17 there were a total of 910 permanent nursing positions allocated to the Department and shows the number of nursing positions that have been vacant for more than six months. Attachment 1 indicates the number of filled and vacant nursing positions, by location.

Figure 1

As of 11/28/17	TOTAL	VACANT > 6 MOS.
REGISTERED NURSES	601	118
LICENSED PRACTICAL NURSES	309	26
Total	910	144

(2) The extent to which temporary contract services are being used to staff vacant nursing positions, the method for funding the contract services, and any cost differences between the use of permanent employees versus contract employees.

Non full-time/permanent nursing positions are currently occupied by either "contract" or "temporary" staff. Contract staff, also known as "Travel Nurses," are sourced from a total of eighteen (18) competitively-bid vendors that provide nursing staff on a short-term, 13-week, contract basis. Temporary staff are sourced from the state's contracted temporary employment agency, Temporary Solutions, who may be employed for eleven (11) consecutive months before they are required, by state policy, to take a 30-day break. These contract and temporary positions are paid at hourly rates and are funded by department lapsed salaries.

Figure 2 below shows the distribution of temporary contract services being used to staff vacant nursing positions. Figure 3 and Figure 4 below show the cost differences between the use of permanent employees versus contract employees for RNs and LPNs, respectively.

Figure 2

As of October, 2017	
CONTRACTED/TRAVEL NURSES	62
TEMPORARY NURSES	28
Total	90

Figure 3

RN Average Costs, effective 11/28/17*	PER HOUR	ANNUALIZED
CONTRACTED/TRAVEL NURSES	$46.61	$96,949
FULLTIME/PERMANENT NURSES	$39.84	$82,857
Difference	$ 6.77	$14,072

Figure 4

LPN Average Costs, effective 11/28/17*	PER HOUR	ANNUALIZED
CONTRACTED/TRAVEL NURSES	$37.28	$77,542
FULLTIME/PERMANENT NURSES	$29.71	$61,808
Difference	$ 7.57	$15,734

*Includes base salary and benefits, hourly rates based on 2,080 hours worked annually.

(3) Any other information the Secretary deems relevant.

It should be noted, the fact that contract and temporary nurses may only work on a short-term basis, inhibits their ability to assume all of the duties and responsibilities of a full-time employee. That is, full-time staff are trained extensively on specific protocols related to patient care. Based on a 13-week contract period, there is not enough time or long-term incentive to train contract and temporary staff on these same protocols. As a result, the duties assigned to contract and temporary staff employees are less involved and very limited to performing the most basic needs necessary for patient care.

PLAN TO ATTRACT AND RETAIN

The Department of Public Safety, in conjunction with the Office of State Human Resources, shall develop a plan to (i) reduce the use of contract services to provide nursing in State prisons and (ii) attract and retain qualified nurses for employment in permanent positions in State prisons. The plan shall take into consideration market comparisons of salary and retention for nurses employed in private sector locations that are the same or similar to existing prison locations.

The Department of Public Safety has consulted with and will continue to consult with the Office of State Human Resources to attract and retain qualified nurses for employment in permanent positons in State prisons, and thus reduce the use of contract services to provide for the nursing positions in State prisons.

Private sector market data for comparison purposes are somewhat limited. The following comparisons are based on data received by the Office of State Human Resources and pertains only to the RN job classification. The data contained in this report are broken down by the specialty area of nursing, which includes Non-Critical Care, Critical Care, and Long-Term Care. For these specialty areas, base salaries are depicted at the 25th, 50th, Average, and 75th percentiles. Salary averages are provided for the more general staff RN job classification for the following geographic areas: Charlotte, Greensboro/Winston Salem, and Raleigh/Durham. The Department of Public Safety does not make this distinction with regard to specialty area of nursing or geographic area.

Additionally, private sector nursing salaries are determined primarily on years of experience based on a 20-year career. Based on this assumption and using the data received, those at the 25th percentile would typically have 5 years of experience, those at the 50th percentile would have 10 years of experience and so on. Using the data provided, the overall state average base salary of a private sector RN with 10 years of experience would be $61,549. While the data received are more limited, those with 5 years of specialty experience would average $55,548.
See Attachment 2.

Current market data is unavailable for new graduates in the private sector, however based on the average salary of an RN with five years of experience ($55,548), the Department of Public Safety's New Graduate RN salary of $50,000 makes it competitive with the private sector.
It is important to note, however, that these private sector data do not include any sign-on bonuses, retention bonuses, or increase differential programs which, depending on locations and providers, may be applied in addition to the base salaries depicted. These types of incentive programs are commonly in use by the private sector and would likely create larger differences in overall compensation levels than indicated in this report.

A number of efforts are underway to address nursing position vacancies. Below is brief summary of efforts currently underway and those proposed to reduce these vacancies. Some of these proposals will require additional funding and therefore further fiscal analyses, if considered for implementation.

Current Efforts to Reduce Nurse Vacancies

1. **RN New Graduate (Continuous-Statewide) Recruitment.**

This began on September 1, 2017. Senior nursing students or recent nursing student graduates who will be licensed as an RN in North Carolina (or eligible to practice in North Carolina under a compact/multi-state license) within 6 months of their State online employment application can apply, interview, and have a contingent offer of employment issued. This is pending their successful graduation and/or licensure. If for any reason they do not graduate or do not become licensed within 6 months of the date of their application, the initial contingent offer is rescinded and they will be required to re-apply once they are licensed.

2. **Senior RN Student Clinical Rotations.**

Staff is working with local community colleges and universities (East Coast Polytechnic Institute, ECPI, and UNC-Chapel Hill) to get senior nursing students approved and cleared to perform their 160 required clinical rotations at Central Prison. This would allow the Department to introduce them to correctional nursing and promote employment opportunities after graduation/licensure. These nurses, in turn, would be eligible to apply through the RN Statewide-Continuous posting prior to graduation.

3. **Regional Recruiters for Healthcare Professional Positions.**

Internal approval is pending to establish four Regional Recruiters whose direct focus will be on Healthcare positions throughout the state. These positions will report to the Critical Needs Analyst in the DPS Central Human Resources section.

4. **School Nurse Recruiter.**

The Department has established a Nurse Recruiter positon that maintains a presence at various schools of nursing hiring events and job fairs to focus on recruitment. In addition, the nurse recruiter now serves on various Nursing school boards to increase awareness of correctional nursing.

5. **Nurse Floating/Rotating Staff Pool.**

The Department has increased the use of nurse floating/rotating staff pools in all regions of the state, where feasible, to assist with day-to-day vacancies. This program is also intended to minimize or mitigate job burnout of nurses while offering them a variety of assignments in different specialty areas. Through rotation of duties across facilities within close proximity of each other, it's anticipated that retention rates will increase.

6. **New Nurse Orientation (NNO) and Nursing Leadership Orientation.**

This program has been revised to include specific on-boarding efforts, a process through which new employees acquire the necessary knowledge, skills, and behaviors to become effective organizational members. The on-boarding process includes formal meetings, lectures, videos, printed materials, or computer-based orientations to introduce newcomers to their new jobs and organizations. This includes a structured orientation and preceptorship of nurses (i.e. training specifically with an experienced RN) but it also includes the assignment of a buddy who is available to provide a personable approach to blending socially into the organization. Research has demonstrated that these socialization techniques lead to positive outcomes for new employees such as higher job satisfaction, better job performance, greater organizational commitment, and reduction in occupational stress, thus leading to better retention.

7. **Nurse Supervisor Orientation.**

In an effort to complement the new on-boarding process for nursing staff, the Nurse Supervisor orientation has been revised and now includes online classes and seated management leadership classes offered by the Office of State Human Resources (OSHR), including Leading at all Levels (LAAL). The LAAL provides integrated, competency-based, comprehensive and cost-effective curricula for NC state government leaders at all levels. Leadership, a process of proactively influencing others, is necessary at every level of the organization for healthy, effective and efficient work environments. LAAL spans four levels: executive, middle manager, frontline supervisor and individual contributor. Each of the three primary levels (middle manager, frontline supervisor and individual contributor) has its own curriculum. Each curriculum centers on the development of key actions and behaviors to demonstrate effectiveness in the following competency areas: integrity, leading people, managing work, creating a learning climate, change leadership, technical / professional knowledge, and customer service.

Proposed Efforts to Reduce Nurse Vacancies

Many of these proposed efforts will require further study and fiscal analysis to determine if additional funding will be required. Specific salary and other pay-related information within each proposal is based on similar programs in the private section and may require adjustment once additional information is obtained.

1. **Structured Orientation for Lead Nurses.**

Currently, the Department's Health Services' Education Committee is in the process of developing a structured orientation for the Lead Nurse role. This training is specifically designed to enhance the supervision skills of Lead Nurses in their supervision of clinical nursing staff. This orientation will include communication, delegation, problem solving, and organizational skills. The target date for start-up of this new orientation is first quarter of calendar year 2018.

2. **Shift Differential Pay.**

To assist with recruitment and particularly, retention, DPS proposes utilization of shift differential pay, as follows:

- 2nd shift additional pay – 10%
- 3rd shift additional pay – 15%
- Weekend shift additional pay – 20%
- Second weekend additional pay – 30%
- Third weekend additional pay – 35%

3. Tiered/Incentivized Salary Plan.

This program is directed towards early to mid-career Registered Nurses to assist with recruitment and particularly, retention. DPS proposes a tiered salary plan for nurses that would work in conjunction with the new class/comp system. Under the new class/comp system, these positions are to be classified as graded salaries. This proposed plan for RNs would be based upon actual worked years of experience, using the state's current base salary schedule, for example:

- New Graduate - $50,000 (Flat rate)
- 1-5 years - $57,504
- 6-10 years - $65,004
- 11+ years - $72,504

Each nurse would be assessed based on actual years of experience and would be placed in the tier at which their experience level qualifies. For example, all nurses who have 1-5 years of experience would be hired at $57,504. Those with 6-10 years of experience would be hired at $65,004, and so on. Nurses would advance to the next tier/level when they attain the required years of experience. Comparisons can be made by looking at salaries in the private sector for 2, 3, 4, and 5 year nurses. This plan would provide an incentive to nurses to remain employed in order to advance to the next level. It would apply primarily to new hires as salaries assessed on many current employees are based on calculations using medical flexibility, which is now limited and as planned, will no longer be available under the new graded salary plans. A salary study would be required prior to implementation to ensure internal equity and overall fiscal impact of such a plan.

4. Student Loan Forgiveness/Grants.

As a potentially significant recruitment and retention tool, DPS is committed to pursuing all opportunities available to participate in student loan forgiveness/grants programs, including those available through the US Health Services and Resources Administration (HRSA) and others, for new graduate nurses who work in approved facilities in rural or hard to recruit for geographic areas. Although this option is already available to some locations, efforts will be undertaken to better promote the program to current and new nurse candidates through enhanced communication and promotion. DPS will also work to get other qualifying locations approved.

5. Sign-on and Retention Bonus Program.

To assist with recruitment and retention, DPS proposes the offering of a sign-on and retention bonus program. Through this program, which is already approved for state-wide use by the Office of State Human Resources, a pre-established bonus amount would be paid in two equal payments over an 18-month period. For example, in the case of a $5,000 sign-on bonus, $2,500 would be paid at the completion of the first pay period and $2,500 would be paid after the successful completion of 18 months' employment.

6. Flexible Shift Scheduling.

Currently, this plan is only utilized as a weekend option for Friday-Sunday staffing. Under this plan, the employee works three 12-hour shifts and is paid for 40 hours. These employees also receive part-time benefits with full-time pay. There appears to be nothing prohibiting the extension of this flexible shift option to other days. This plan could be utilized to allow staff to work three 12-hour shifts in blocks that cover other periods throughout the week. This also gives a four-hour window in which staff can work without receiving overtime pay premiums, if needed. Implementation of this program would require an annually renewable employment agreement, which allows for no more than 4 scheduled blocks (scheduled work time) off per year, which are paid using vacation or sick time.

7. Employee Referral Program

This is a proposal to create a policy and plan in conjunction with OSHR to reward current employees who refer qualified candidates for established, hard to recruit for positions such as Registered Nurses. There would be a payout to the referring employee with the first active pay period that the candidate is employed. And there would be a supplemental payout once the referred employee reaches a pre-determined employment milestone. All payouts are subject to qualifying guidelines which would insure that both the referring and the referred are in good employment standing at the time of payout. Budgeting would need to be established along with set amounts.

8. Hiring of Half-Time and Per Diem Staff.

Many nurses in both the public and private sectors are interested in striking a better balance between their work and home life. For this reason, there is a higher demand for part time positions. This hiring practice can be used to provide additional staffing, based on staffing demands, locations, etc. Half-time and per diem staffing are currently supplied through Temporary Solutions. By splitting two full-time positions, staffing could be increased by up to 496 hours per year or slightly over 41, twelve-hour shifts, annually. Funding for these additional hours would be necessary, but would be recovered through savings realized by the forfeiture of benefits, since those working half-time receive benefits on a pro-rated schedule while those working on a per diem basis receive no benefits as long as they average less than 30 hours per week.

The following are typical staffing models currently being utilized:

- 40 hours per week (1.0 FTE), in 8 or 10 hour shifts would render 2,080 hours worked per year (current model).
- 36 hours per week (0.9 FTE), in 12-hour shifts would render 1,872 hours per year (current model)

The following are possible staffing models which may be considered, utilizing half-time or per diem staffing:

- Proposal 1 - Split one 1.0 FTE into five per diem positions with a minimum of three 12-hours shifts required per month. This puts five nurses working 36 hours per month for a total of 180 hours monthly or 2160, annually.

- Proposal 2 - Split one 1.0 FTE into two half-time positions, requiring two 12-hours shifts per week which equates to 48 hours per week instead of 40, and without benefits, equaling 2,496 hours per year.

Through the use of half-time and per diem regular staffing the facility gains an additional 496 hours at a flat rate (less than temp), which is the equivalent of 41+ shifts and saves the increased premiums for agency or temporary staff as well as the cost of benefits and/or overtime.

Considering all of the above, it is anticipated that the current and proposed programs for the recruitment and retention of nurses will reduce their overall vacancy rates.

Nursing Positions by Locations
November 28, 2017

Job	Registered Nurse		Job	Licensed Practical Nurse	
Org Unit	Total FTE Positions	Vacant >6 months	Org Unit	Total FTE Positions	Vacant >6 months
Albemarle	6.00		Albemarle	6	
Alexander	22.00	3.00	Alexander	15	3
Avery-Mitchell	7.00		Avery-Mitchell	6	
Bertie	13.00	3.00	Bertie	1	
Caldwell	1.00		Caldwell		
Caledonia	6.00	1.00	Caledonia	3	
Carteret	2.00		Carteret		
Caswell	5.00		Caswell	2	
Catawba	1.00		Catawba		
Central Prison	2.00		Central Prison	3	1
Central Prison Healthcare Facility	135.00	40.00	Central Prison Healthcare Facility	67	5
Columbus	3.00		Columbus	1	
Craggy	4.00		Craggy	1	
Craven	11.00	2.00	Craven	7	
Davidson	1.00		Davidson		
Eastern	5.00	2.00	Eastern	3	
Foothills	13.00	1.00	Foothills	8	1
Forsyth	1.00		Forsyth		
Franklin	2.00		Franklin	1	
Gaston	1.00		Gaston		
Greene	9.00	5.00	Greene	5	
Harnett	7.00		Harnett	4	
Health Services Administration	33.00	7.00	Hoke	7	
Hoke	8.00		Hyde		
Hyde	3.00		Johnston	6	
Johnston	5.00	1.00	Lanesboro	10	4
Lanesboro	18.00	8.00	Lincoln		
Lincoln	1.00		Lumberton	4	
Lumberton	9.00		Marion	7	
Marion	11.00	1.00	Maury	21	2
Maury	35.00	9.00	Maury Psychology	4	1
Maury Psychology	5.00	4.00	Morrison	1	
Morrison	3.00		Mountain View	6	
Mountain View	9.00		Nash	5	1
Nash	10.00		Neuse	5	
Neuse	9.00	6.00	New Hanover	4	
New Hanover	5.00		North Carolina Correctional Institution for Women	29	3

Job	Registered Nurse	
Org Unit	Total FTE Positions	Vacant >6 months
North Carolina Correctional Institution for Women	65.00	14.00
Odom	2.00	
Orange	2.00	
Pamlico	2.00	
Pasquotank	7.00	2.00
Pender	10.00	
Piedmont	19.00	3.00
Polk	10.00	2.00
Polk Psychology	2.00	1.00
Randolph	7.00	
Rutherford	1.00	
Sampson	1.00	
Sanford	1.00	
Scotland	13.00	
Southern	8.00	
Swannanoa	1.00	
Tabor	15.00	2.00
Tyrrell	2.00	
Wake	4.00	
Warren	7.00	1.00
Wilkes	1.00	
Total	601.00	118.00

Job	Licensed Practical Nurse	
Org Unit	Total FTE Positions	Vacant >6 months
Odom	2	
Orange		
Pamlico	1	
Pasquotank	6	1
Pender	7	1
Piedmont	12	1
Polk	10	1
Randolph	2	
Rutherford		
Sampson	2	
Sanford		
Scotland	8	1
Southern	4	
Swannanoa	4	
Tabor	4	
Tyrrell	1	
Wake		
Warren	4	
Wilkes		
Total	309.00	26.00

Position Compensation Summary

00000 DPS Nurse Data Request
All data aged to 2017-07-01
Last modified by Chris Clemmons 2017-11-07

Job Code: 00000	Structure: CAREER BANDED	Min: 39,152
Job Title: DPS Nurse Data Request	Grade: 30018655	Mid:
# of ees:	Base Salary Amt Avg:	Max: 81,960

	Base Salary				Total Cash				Adj	Wgt	Comments
	25th	50th	Avg	75th	25th	50th	Avg	75th			
Registered Nurse (Hospital, Non-Critical Care) (863.01) Capital Associated Industries NC Wage, 2017 Summary: All Data 14 cos, 4785 ees, USD, eff 2017-04-01	54,968	61,654	62,227	68,572					1	1	
Registered Nurse (Hospital, Critical Care) (863.02) Capital Associated Industries NC Wage, 2017 Summary: All Data 5 cos, 1497 ees, USD, eff 2017-04-01	56,447	62,852	60,575	64,547					1	1	
Registered Nurse (Long-Term Care) (863.04) Capital Associated Industries NC Wage, 2017 Summary: All Data 10 cos, 184 ees, USD, eff 2017-04-01	55,230	60,736	60,737	65,156					1	1	
Nurse - Staff (RN) (155300) CompData Health Care - Southeast, 2017 North Carolina; Local Breakouts: Charlotte Area 10 cos, 5612 ees, USD, eff 2017-01-01			61,682				62,189		1	1	
Nurse - Staff (RN) (155300) CompData Health Care - Southeast, 2017 North Carolina; Local Breakouts: Greensboro/Winston Salem Area 9 cos, 3263 ees, USD, eff 2017-01-01			64,319				64,928		1	1	

Nov 7, 2017

Position Compensation Summary

	Base Salary				Total Cash				Adj	Wgt	Comments
	25th	50th	Avg	75th	25th	50th	Avg	75th			
Nurse - Staff (RN) (155300) CompData Health Care - Southeast, 2017 North Carolina; Local Breakouts: Raleigh/ Durham/Chapel Hill Area 6 cos, 845 ees, USD, eff 2017-01-01			59,754				60,160		1	1	
Overall Averages	55,548	61,747	61,549	66,091	0	0	62,426	0			

Survey Code	Survey Job Code	Survey Job Title	Survey Job Description
CAI-NC-WAGE17	863.02	Registered Nurse (Hospital, Critical Care)	Registered nurse in hospital setting responsible for critical care where patients are at high risk for actual or potential life-threatening health problems. The job typically requires a four-year degree and 3+ years of experience, or equivalent. Provides advanced nursing care for acutely ill patients of all ages. Closely monitors patients, assesses pain levels/sedation requirements, administers medications, evaluates vital signs and laboratory data, prioritizes patient care based on assigned critical level. Work is often performed in intensive care units, cardiac care units, burn centers and emergency departments. Directs or supervises less-skilled nursing or healthcare personnel. Licensing or registration required. JOB CATEGORY: Healthcare: Nursing.
CAI-NC-WAGE17	863.01	Registered Nurse (Hospital, Non-Critical Care)	Registered nurse in hospital setting responsible for non-critical care. The job typically requires a four-year degree and 1-2 years of experience, or equivalent. Assesses patient health problems and needs, develops and implements nursing care plans, and maintains medical records. Administers nursing care and treatment to ill or injured patients. Analyzes test results, administers medication, records patient's medical history, reviews charts, and operates medical machinery. May advise patients on health maintenance and disease prevention or provide case management. Directs or supervises less-skilled nursing or healthcare personnel. Licensing or registration required. JOB CATEGORY: Healthcare: Nursing.
CAI-NC-WAGE17	863.04	Registered Nurse (Long-Term Care)	Registered nurse in long-term care setting. Provides care to assigned patients/residents in a nursing home, rest home, skilled nursing facility, convalescent home or continuing care retirement community. The job typically requires a four-year degree and 1-2 years of experience, or equivalent. Administers nursing care and treatment to elderly, disabled, and convalescent patients. Assesses patient health problems and needs, develops and implements nursing care plans, and maintains medical records. Dispenses medications in a timely manner, oversees nursing assistants, ensures compassionate care is provided to residents, and may coordinate care with therapy department. Licensing or registration required. JOB CATEGORY: Healthcare: Nursing.
COMPD-HC-SE17	155300	Nurse - Staff (RN)	Renders professional nursing services in the treatment and care of assigned patients in accordance with physicians' orders. Provides for the comfort and well-being of patients by assessing condition, providing treatments and administering prescribed drugs and documenting progress and other observations. Coordinates nursing care for patients and participates in patient and family teaching. Provides leadership by working cooperatively with ancillary nursing and other patient team personnel in maintaining standards for professional nursing practice in the clinical setting. For home services, may travel to patient home to render services. Must hold current licensure by the State Board of Nursing Licensure and Registration. JOB FAMILY: Nursing.

Nov 7, 2017