EDWARD M. BIRN
Director (Direktot)
BERNADINE C. GINES
Deputy Director (Sigundo Direktot)

DEPARTMENT OF ADMINISTRATION

DIPATTAMENTON ATMENESTRASION

DIRECTOR'S OFFICE

(Ufisinan Direktot)

Telephone (*Telifon*): (671) 475-1101/1250

LOURDES A. LEON GUERRERO
Governor (Maga'håga)
JOSHUA F. TENORIO
Lt. Governor (Sigundo Maga'låhi)

June 17, 2021

MEMORANDUM

TO: Governor of Guam

FROM: Director of Administration

SUBJECT: **Nurse Professional Pay Structure and Differential**

Buenas yan Hafa Adai! Public Law 24-325 established the "Nurse and Other Health Care Professional Recruitment and Retention Incentives Act of 1998". This statute was further amended by Public Laws 25-72 and 28-68 which mandated the responsibility of this act to the Director of Administration. The intent of the act was to establish incentive pay and other recruitment and retention initiatives for health care professionals in the government. The provisions of this act paved the way and provided tools for the Director of Administration to furnish incentives for the nursing and health care professionals. Due to budget restraints and other factors, providing meaningful incentives for these professions over the years have been difficult.

Public Law 32-68 was signed into law on September 11, 2013 which appropriated $7,055,357 to implement the Government of Guam Competitive Wage Act of 2014. Included in that plan was the Nurse Pay Plan (NPP) which provided an updated pay structure to compensate nurse positions at the Guam Memorial Hospital Authority (GMHA), Department of Public Health and Social Services (DPHSS), Guam Behavioral Health and Wellness Center (GBHWC), and the Guam Department of Education (GDOE). No further updates to the NPP were the subject of legislation.

Although no updates were made to the NPP for all government nurses; there were efforts made by the Board of Trustees at the Guam Memorial Hospital Authority (GMHA) to address specific needs that became essential because of the 24-hour operation at the Hospital. These board policies authorized internal differentials to those nurses that were employed by the GMHA. These initiatives were focused on areas of the hospital such as the Intensive Care Unit (ICU) and other supporting areas of the hospital. These initiatives made strides to try and help keep compensation externally competitive for recruitment purposes; but to also serve as an incentive for current personnel to serve in those high demand and critical areas of the Hospital. 4 GCA §6229.5 requires the Director of Administration to establish a pay adjustment schedule. It appears that certain actions of the Board of GMHA did not comply with the legislation. It is proposed to replace those actions with the proposals contained in this memorandum. Executive Order 2020-03 was signed into effect on March 14, 2020 which declared a state of emergency (public health) due to the first cases of COVID-19 detected and identified on the island. Over a year after the onset of the public health emergency, and through the stages of the island's Pandemic response and

now as we progress the recovery effort with the current initiative surrounding the vaccination of island residents, nurses of all levels played and continue to play a key role in the recovery of our island from the COVID-19 Pandemic. During the response and recovery, nurses from all areas of the government were utilized in the fight against COVID-19. This effort required a cooperative effort from the GMHA, DPHSS, GBHWC, and the GDOE. In particular, GDOE nurses were utilized in both DPHSS and the GMHA. The collaboration and coordination of the nurses across the government provided a cadre of employees that played key role in the delivery of all services to help fight the Pandemic and help control, as best as possible, the spread of COVID-19 on the island. Nurses were key to the "frontline" and as such, the demand for nurses could not have been higher.

The onset of the COVID-19 Pandemic and the demand for nurses as part of the coordinated response brought to light issues with the status of nurses within the government. One of the issues for the profession was the lack of an update to the NPP and their compensation structure. It was apparent that an adjustment was needed because the data used to create the NPP was collected in 2009. The time that has elapsed since the last meaningful upgrade to the NPP in 2013 (with salary information collected in 2009) has caused a gap between nurse compensation in the government of Guam relative to U.S. National Average as determined by the United States Department of Labor, Bureau of Labor Statistics. Based on your direction and the statutory authority given to address compensation issues that arise, I requested that the Department of Administration (DOA) Human Resources Division assess our NPP's position relative to relevant salary estimates provided by the U.S. Department of Labor, Bureau of Labor Statistics. The results of their assessment are set out below for your review.

As a result of the assessment, and in accordance with the "Nurse and Other Health Care Professional Recruitment and Retention Incentives Act of 1998"; I offer the following recommendations below to be authorized for implementation in the respective departments which employ nurse positions throughout the Government of Guam. The Department of Public Health and Social Services (DPHSS), Guam Behavioral Health and Wellness Center (GBHWC), Guam Memorial Hospital Authority (GMHA), and the Guam Department of Education (GDOE). The recommendations are intended to provide an immediate correction to compensation for the nurses employed by the above-mentioned agencies / departments.

The recommendations are as follows:

NURSE PAY PLAN STRUCTURE ADJUSTMENT:

We recommend a multi-step approach to addressing pay for positions covered by the NPP; a first step that is recommended is a structure adjustment to the NPP by approximately fifteen percent (15%) base pay increment. This adjustment will move the market equivalence of the NPP structure and align it with national averages based more relevant and comparable markets such as the central states. It is well-known that states such as California and Hawaii are some of the top five (5) paying states for nurses. The gap between these select markets and the US National average will be addressed by the differentials set forth below. Additional adjustments of two to three percent per year are advisable to ensure that the plan continues to move and not remain stagnant. This adjustment is necessary to help make a

meaningful movement in salaries for current employees; and to help address pay for entry-level positions. If this structure adjustment is approved and adopted, it is recommended that employees

currently holding these positions maintain their current step in grade. Please see attached proposed pay structure. **(Attachment)** and the exception below for GMHA unit managers.

NURSE PROFESSIONAL PAY DIFFERENTIAL

As a second step in addressing pay for positions covered in the NPP, we recommend a "Nurse Professional Pay Differential" authorized for positions covered under the NPP (and other positions as authorized by the Director of Administration). The pay differential will be applied based on the employing agency / department. Implementation of these differentials will bring effective pay levels close to the US national average which includes those higher paying states to which Guam nurses might be drawn in preference to working on-island.

DPHSS

The Department of Public Health and Social Services employs nurses whose main goal is to service the community through outreach programs and duties performed at the various Community Health Centers. Recently, during the current COVID-19 Pandemic, the nurse in the DPHSS provided a "frontline" response with various duties that involved work being conducted at the different COVID-19 testing sites, government-operated quarantine and isolation facilities; and as members of immediate response teams that were focused on certain areas of the island that were more susceptible to exposure and infections, and for special areas where spikes of infections may occur. The major functions of the public health response involved the utilization of all nurse personnel; and at times the lack of nurse personnel was addressed by the augmenting of the DPHSS workforce with additional nurse resources from other agencies, or those hired on a limited term basis. The critical role that the community health nurses (and other nurse personnel) played in the containment and eventual control of the spread of the COVID-19 virus was highlighted through all phases of the pandemic response. It is also noted that on a regular basis, the nurses of the DPHSS help to treat and address the health issues of the underserved populations of Guam. This is important as the nursing personnel are involved with multiple programs, especially preventative programs targeted at helping those island residents that avail to the medical services provided by the Community Health Centers. Based on the duties they perform; and the overall role of the department to the island's public health, the following is recommended for the eligible nurse personnel of the DPHSS:

1. **DPHSS:** Employees holding positions included in the NPP in the DPHSS will receive a **fifteen percent (15%)** differential rate.

    a. This differential is in addition to the recommended structural adjustment to the NPP pay scale.

b. All employees covered under the NPP as approved by the Director of Administration shall receive the 15% differential while on work status.

c. This differential shall not be used in the calculation of salary for the purposes of overtime.

GMHA / GBHWC

One of the major challenges of both the GMHA and the GBHWC is the fact that operations for both agencies are on a 24-hour work schedule. Although different in mission and mandate, both departments / agencies offer very critical services to the overall health and mental well-being of island residents. The operations of both agencies also have unique challenges based on their missions and services that they offer to island residents. In both agencies, personnel that provide both general and specialized care and treatment to island residents presents recruitment challenges for the critical nursing personnel.

The GMHA is responsible for responding to medical emergencies around the clock which poses unique challenges at times, and difficulty in staffing different shifts to ensure that critical services are available to patients who are in need. GMHA also has irregular or rotating shifts based on the special needs of the various units within the hospital. For example, as stated above, GMHA Board policies had previously authorized incentives for areas such as the Hemodialysis unit and other areas which supported the specialized unit. This combined with the critical role that the GMHA played during the Pandemic as the official COVID-19 hospital differentiates this agency from any other. In addition, the GMHA is the island's only public hospital; and cannot turn away patients who come in for care or treatment; both acute and long-term. Nursing personnel at the GMHA are required to perform their duties wholly within hospital facilities, it is this fact, and the different specialty areas that GMHA operates that makes it apparent that a meaningful differential is appropriate for those nursing personnel at the GMHA. In consideration of the above, the following differential is recommended for those employees covered by the NPP who are employed at the GMHA.

1. **GMHA:** Employees holding nurse positions included in the NPP in GMHA will receive a **twenty-five percent (25%)** differential rate.

    a. This recommended differential, in addition to the NPP structural adjustment, is designed to replace any existing board-approved pay adjustments. Adjustments approved by the Board designed to address specific positions with specialized functions, duties, certifications, and other requirements may be utilized, if warranted; however, those policies shall be filed with the DOA to be taken into consideration with the application of this differential as required by statute.

    b. All employees covered under the NPP as approved by the Director of Administration shall receive the 25% differential while on work status.

c. This differential shall not be used in the calculation of salary for the purposes of overtime.

In order to address concerns expressed by certain unit managers at GMHA that they earn less than some of the nurses who work in those units, it is recommended that these unit managers move up one step in grade. GMHA is also recommended to manage its overtime profile to ensure that pay distortion caused by overtime concentration at higher pay levels is minimized.

The GBHWC is the island's only public agency / department whose mission is to secure the island's mental behavior health and wellness. This agency provides those services that are designed to help island residents with any issues related to the mental and behavioral health. This provides a distinctive set of issues that are specific to the agency and the delivery of services to their patients and their families. As the GBHWC operates on a 24-hour schedule as well, this presents similar issues as the GMHA with the exception that any medical emergencies are referred to the GMHA. However, whenever there are emergencies in regards to the mental and behavioral well-being of clients, they are specifically addressed at the GBHWC. This makes the GBHWC similar to the GMHA as the only government run facility mandated to deal with this specific community need. The following recommendation is made for nurse personnel covered under the NPP employed at the GBHWC:

1. **GBHWC:** Employees holding nurse positions included in the NPP in GBHWC will receive a **twenty-five percent (25%)** differential rate.

    a. This differential is in addition to the recommended structural adjustment to the NPP pay scale.

    b. All employees covered under the NPP as approved by the Director of Administration shall receive the 25% differential while on work status.

    c. This differential is in addition to the hazardous pay pursuant to Title 4 GCA, Chapter 6, §6225.1.

    d. This differential shall not be used in the calculation of salary for the purposes of overtime.

GDOE

The nursing personnel of the GDOE are responsible for addressing the medical needs of thousands of students at all the island's public schools. These nurses have a unique working environment in that the population of the island that they serve are a specific age group. This presents a unique challenge in the fact that many of them have to be specialized in dealing with routine but recurring medical situations. During the COVID-19; the GDOE nursing personnel were called upon to help augment the nurse

workforce at the DPHSS, GMHA; and in other areas of the island including private sector partners that participate in the response. The role that these nursing personnel will now play in the island's public schools has evolved to adapt to the current COVID-19 Pandemic response and prevention. Different protocols that are necessary to ensure the prevention of the spread of COVID-19; and to assist in the vaccination of those eligible youth in the public schools has created a broadened scope of duties and responsibilities; that, over time, will eventually integrate themselves into what a GDOE nurse performs. The following recommendation is made for nurse personnel covered by the NPP at the GDOE.

1. **GDOE:** Employees holding nurse positions included in the NPP in the GDOE will receive a **ten percent (10%)** differential rate.

    a. This differential is in addition to the recommended structural adjustment to the NPP scale.

    b. All employees covered under the NPP as approved by the Director of Administration shall receive the 10% differential while on work status.

    c. This differential shall not be used in the calculation of salary for the purposes of overtime.

IMPLEMENTATION:

Should these recommendations be approved; it is noted that the fiscal impact for every agency covered by this policy shall be considered and incorporated into their Fiscal Year 2022 and subsequent budgets. Funding for respective pay increases shall be coordinated with BBMR and DOA. The estimated costs for each agency are as follows:

1. **GMHA:** Additional costs for the remainder of Fiscal Year 2021 will be approximately **$204,804** if implemented by pay period ending August 14, 2021. Annual costs for FY 22 at current staffing levels will be approximately **$1,252,180.**

2. **GBHWC:** Additional costs for the remainder of Fiscal Year 2021 will be approximately **$75,157** if implemented by pay period ending August 14, 2021. Annual costs for FY 22 at current staffing levels will be approximately **$488,521.**

3. **DPHSS:** Additional costs for the remainder of Fiscal Year 2021 will be approximately **$269,768** if implemented by pay period ending August 14, 2021. Annual costs for FY 22 at current staffing levels will be approximately **$1,753,490**.

4. **GDOE:** Additional costs for the remainder of Fiscal Year 2021 will be approximately **$134,030** if implemented by pay period ending August 14, 2021. Annual costs for FY 22 at current staffing levels will be approximately **$871,197.**

I would emphasize that costs associated with any approved pay increase must be considered and incorporated into departmental budgets for Fiscal Year 2022 and subsequent budgets. Coordination with the BBMR and DOA (for those respective agencies that must do so) must be conducted to ensure proper implementation of these recommendations. It must also be noted that these cost estimates are reflective of base salary adjustments only and not inclusive of specialty pay (night differential, overtime, hazardous pay, etc..., already incorporated into pay plans).

In regards to the implementation of the "Nurse Professional Pay" differentials for the DPHSS and the GBHWC, all administrative matters shall be coordinated with the DOA and all budgetary matters shall be coordinated with the Bureau of Budget and Management Research (BBMR).

It is also worth noting that since the initial declaration of the public health emergency, nurses from all agencies were utilized in the COVID-19 response. The result of the circumstances was that many nurses who may not have previously had experience in a hospital or clinical setting; or in a community outreach setting, gained that experience while assisting either the DPHSS or the GMHA. This consolidation of resources helped broaden the experience of many of the government employed nurses, while helping to strengthen the healthcare personnel infrastructure on the island. If approved, the DOA can begin coordination with all respective agencies. DOA will work with all agencies in providing the proper guidance that will be needed to apply these recommended differentials appropriately within their agencies.

SCOPE:

This review and its recommendations, is limited in scope only to address and recommend adjustments to the Nurses Pay Plan, involving those qualified staff directly caring for patients. GMHA, in particular, has suggested that certain related positions, generally tasked with quality assurance and patient utilization management, should be included in the NPP. This will be the subject of a separate study which will consider whether these positions should be incorporated into the NPP or be established in a new pay plan for healthcare professionals. This study will also consider the status of nurses aides/assistants.

CONCLUSION

Public law 35-125 authorized the expenditure of $50,000 to commission a wage study of the NPP, plus a further $50,000. If needed, by transfer authority. In view of the continuing public health emergency, at your request, DOA acted administratively within the statutory framework to assemble a proposal which can be implemented quickly and which takes into account the views and comments of some of those very nurses who will receive compensation adjustments under this proposal.

It remains the goal of DOA to undertake a comprehensive competitive wage study for all GovGuam employees which will include nurses and related healthcare workers and the funding from PL 35-125 will remain available for this extensive undertaking.

In conclusion, the vital role that the nurses played in the COVID-19 Pandemic response has brought to the forefront the need to address at least some of the longstanding concerns with the NPP. This proposal is a step forward, upon which future recommendations can be built. It is my privilege to forward this proposal to you in accordance with the Competitive Wage Act of 2014 and the provisions provided in the "Nurse and Other Health Care Professional Recruitment and Retention Incentives Act of 1998" which were codified in Title 4 GCA, Chapter 6, for your concurrence and approval.

EDWARD M. BIRN

(X) CONCURRED & APPROVED
( ) DISAPPROVE

LOURDES A. LEON GUERRERO
Governor of Guam

6/18/2021
(Date)

Attachment