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April 5, 2005

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Board of Supervisors Grants Pay Raise to Nurses
Unilateral Action follows Impasse in Negotiations

SAN JOSE, CALIF.—The County of Santa Clara Board of Supervisors took the unusual step of unilaterally implementing the economic terms of its labor contract proposal, ending nearly six months of negotiations that were declared at impasse by the Registered Nurses Professional Association (RNPA).

The labor contract with the unit, comprised of about 1,000 county nurses, expired on November 7, 2004. County officials and representatives of RNPA began the collective bargaining process in October 2004 and continued to meet beyond the contract expiration. In February of this year, RNPA declared the negotiations at an impasse. A state mediator was brought in to facilitate further negotiation but the parties were not successful in reaching a new agreement. In the absence of a contract, the County has continued to observe the terms of the expired contract.

“While the negotiators have worked diligently toward reaching full agreement, implementing a salary increase at this time allows the County to fairly compensate the nursing staff and maintain our competitiveness in recruiting nurses,” said Supervisor Liz Kniss, Chair of the County of Santa Clara Board of Supervisors and Chair of the Board’s Health & Hospital Committee.

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The action of the County Board of Supervisors would mean the RNPA represented nurses will receive a wage increase of 6% starting April 11, 2005. Impasse was declared when the County could not agree to the 8% wage increase for the first year as proposed by RNPA. At impasse, the parties were far apart on the terms of a proposed three-year contract. With the County Board of Supervisors' unilateral action, the County puts in place its "last, best" offer of 6% wage increase for the first year.

Simultaneously, those nurses working evening and night shifts also will receive an additional increase in hourly compensation, bringing the evening shift differential pay to \$4.00 per hour, a close to 80% increase from the current rate, and night shift pay to \$7.25 per hour, more than doubled the current rate. This will place Santa Clara Valley Medical Center on a better competitive footing with other hospitals.

Nurses are in a scarce-skill category in the United States. Santa Clara County must compete with both private and public employers to attract and retain skilled nurses. One other action to be acted on by the Board will help to sharpen the County's competitive edge. Currently, in addition to its employer contribution towards the CalPERS retirement plan, the County also pays on behalf of its nurses the employees' contribution to the retirement fund. Under the new proposal, that 7% employee contribution payment will be added to the nurses base salary and paid directly by the nurses. While this change is essentially cost neutral, it better demonstrates the actual salaries the nurses are receiving. Nurses are likely to appreciate this change because their base salaries upon which overtime is computed will be slightly higher.

"Converting the employee contribution to direct pay is important for recruitment and retention," said County Executive Peter Kutras, Jr. "At present, it is an invisible benefit, putting it in the hourly wage on the paycheck puts us on the same comparison basis as other hospitals."

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California Assembly Bill 394, which legislates the nurse to patient staffing ratios of 1 nurse to every 5 patients, is likely to increase the already heavy demand for nurses. The Board's action is expected to position the County to maintain its competitive stance in the fight for nurses. SVMC currently meets the state nurse to patient staffing ratio and has complied with this requirement.

“Moving forward on these economic terms enables us to competitively position the County so we will be able to maintain the appropriate level of care for our patients,”
Kutras continued.

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