



**DEPARTMENT OF VETERANS AFFAIRS**  
**Veterans Health Administration**  
**Washington DC 20420**

**IL 10-99-017**

In Reply Refer To: 051

**December 3, 1999**

**UNDER SECRETARY FOR HEALTH INFORMATION LETTER**

**2000 NURSE LOCALITY PAY SYSTEM ADJUSTMENTS**

1. As required by Title 38, United States Code, Section 7451, facilities are once again conducting salary surveys to determine if nurse pay rates under the Locality Pay System (LPS) should be adjusted to coincide with the General Schedule (GS) adjustment. The purpose of the LPS is to ensure that rates of basic pay at Department of Veterans Affairs (VA) facilities are sufficient to be competitive, on the basis of pay and other employee benefits, with non-VA health-care facilities in the same labor market area for the recruitment and retention of qualified employees.
2. Legislation is currently pending that may eliminate future VA-conducted LPS surveys. Instead, facility Directors would be required to increase nurse pay rates consistent with the amount of GS increases. Although the bill did not pass before the Congress recently adjourned, we fully expect the bill to be taken up in the next session. Over the past several years, the average nurse pay increase has been consistently less than the nationwide GS increase. GS employees also receive increases in locality comparability payments that nurses are not entitled to.
3. In order to promote competitive pay for recruitment and retention purposes, my expectation is that all facility Directors will give serious consideration to increasing the beginning rate for each Registered Nurse (R.N.) and Certified registered Nurse Anesthetist (CRNA) grade by the amount of the January 2, 2000, nationwide GS adjustment. Greater increases may be granted if warranted based on available salary survey data. In no instance shall the beginning rate of a VA grade, or level in a grade, for which salary survey data was collected, exceed the highest beginning rate for corresponding non-VA positions in the local labor market area. However, in situations where an increase would make VA the community pay leader, a careful review of the adequacy of data requirements contained in VA Handbook 5103.9, Part 2, paragraph 9, needs to be conducted to ensure that the survey data is valid and is an adequate representation of the rates paid in the local labor market.
4. Medical centers do not have to be experiencing recruitment or retention difficulties in order to adjust nurse pay rates. The primary purpose of the LPS was to give increased authority to facility Directors to address salary needs before pay-related staffing problems developed. Facility Directors are urged to proactively address recruitment and retention by maintaining competitive pay for nurses. Nurses are essential to the delivery of high quality health care to our

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nation's veterans and every effort must be made to ensure that their salaries are adjusted whenever necessary to achieve competitiveness, as the law intended.

5. Questions concerning the LPS may be directed to the Office of Human Resources Management, Customer Advisory and Consulting Group (051) at (202) 273-9827.

A handwritten signature in black ink that reads "Thomas L. Garthwaite". The signature is written in a cursive, flowing style with a prominent initial "T".

Thomas L. Garthwaite, M.D.  
Acting Under Secretary for Health

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