Colleagues,

I am writing to announce the UCSF Compensation Committee's endorsement and direction for an organization-wide change in the process for review and approval of staff salary equity increases for non-represented staff at UCSF. Consideration of salary equity increases for represented staff remains subject to collective bargaining. This change will allow us to achieve improved business outcomes with respect to salary administration utilizing a focal point review process.

Our current campus process provides for the submission of ad hoc staff equity increases throughout the year. However, last July we conducted an organization-wide focal point salary equity review commensurate with our salary increase program for non-represented staff, but continued to allow ad hoc equity submissions throughout the year. For fiscal year 2014-2015 and moving forward each year, our organization will administer and utilize an annual focal point examination of salary equity as the standard process for review and approval of salary equity increases and will discontinue the process of reviewing individual, ad hoc requests for salary equity increases throughout the year, subject to exceptional circumstances outlined below.

An annual focal point equity review offers several organizational advantages. Effective and equitable salary administration is best supported by the thoughtful consideration of salary relationships from the perspective of a comprehensive review across each organization. A uniform review of organizational salary equity with a focus on job-related attributes helps UCSF meet our legal obligations for non-discriminatory pay administration. Additionally, consideration of a substantially fixed salary budget throughout the fiscal year supports more effective and on-target budgetary outcomes. Utilizing a focal point equity review establishes a consistent practice between the campus and medical center, supporting our goal of uniform administration throughout UCSF. Lastly, focusing salary equity administration at a specific focal point in time allows for thoughtful allocation of HR resources to deliver timely and efficient review, approval, and implementation services to our organization.

The 2014-2015 Salary Program Implementation Guidelines issued by Human Resources will describe the process and resources available to support the upcoming focal point equity review. It is important that we give careful consideration to an employee's total compensation for the fiscal year during this focal equity review because opportunities for additional compensation will only be considered under limited, exceptional circumstances. Examples of such exceptional circumstances include:

- o *Salary retention proposal for a key staff member in the face of a bona fide job offer from a competitor;*
- o *Equity increases proposed to adjust an entire level or family of staff due to significant, unforeseen movement in the salary market for comparable positions;*
- o *Equity increases proposed to alleviate salary compression among non-represented supervisors due to aggressive salary movement for the related represented titles;*
- o *Equity increases proposed to compensate for a significant increase in the scope and complexity of assigned responsibilities in a position that does not compel a change in the classification level;*
- o *Equity increases proposed to address significant market lags or internal equity surfaced through the implementation of job families.*

I appreciate that this process change will require some immediate re-thinking of our business

practices with respect to staff salaries. Questions or comments regarding the focal point equity process should be directed to Susan Wright, Manager Compensation and Benefits at swright@hr.ucsf.edu.

John E. Plotts
Chair – UCSF Compensation Committee