

# University of Idaho

Division of Finance

[debbiee@uidaho.edu](mailto:debbiee@uidaho.edu)

[www.uidaho.edu/finance/](http://www.uidaho.edu/finance/)

**TO:** UI Faculty and Staff  
**FROM:** Brian Foisy, Vice President for Finance  
**DATE:** April 13, 2017  
**SUBJECT:** Market-Based Compensation Initiative

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The State Board of Education has officially approved our request to move to a market-based compensation model for all staff employees (both classified and exempt). This approval is a key milestone in our goal to increase average faculty and staff salaries to 100 percent of market by 2025. The realization of that goal depends on our ability to develop and deploy market-based compensation tools. To that end, we have created compensation task forces for both faculty and staff. The purpose of this message is to communicate our progress in developing the tools necessary to achieve the goal of market-competitive compensation.

As of the end of March, every staff position has been assigned at least a preliminary market rate. Wes Matthews, executive director of Human Resources, has met with supervisors to review market rates for almost 900 positions. He is currently working on another 650 positions, with approximately 120 positions still in the preliminary stage.

While we still have work to do, this effort is sufficient to render the current reclassification process unnecessary. Therefore, effective immediately, the reclassification process will be

discontinued. This is a necessary step in the transition to market-based compensation. When the market tool is complete, we will discontinue the use of our current pay grade system altogether.

Please note that this action is not a freeze or suspension of reclassification. Rather, reclassification simply does not exist in a market-based compensation system. The act of reclassification is replaced by assignment (or reassignment) of a market rate.

In situations where reclassification would have been the appropriate course of action, please contact your HR Business Partner. If a firm market rate has not been assigned to the position in question, such action will become the next step. For reclassifications already in process, your HR Business Partner will contact the appropriate supervisor to determine a proper resolution.

A separate task force is working on market-based compensation for faculty. That work is still in the early stages, but we anticipate seeking conceptual approval from the State Board of Education in the coming months.

I encourage you to contact your supervisor to inquire as to the status of this work in your department. While we face considerable implementation challenges, the far greater challenge is the task of communicating throughout all levels of the organization. Please help us overcome this communication challenge by taking a proactive role in learning about the work underway in your department.

We are committed to achieving the goal of market-competitive salaries for all employees, and to making UI an even better place to work, learn and grow. Thank you for your trust, support, and patience as we complete this important work.

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