

July 17, 1996

## MEMBERS OF THE CAMPUS COMMUNITY

In our letter to you last month about the proposed merger of UCSF Medical Center, Stanford Health Services, and Lucile Packard Children's Hospital we stated that we were looking into concerns raised by employees and the unions regarding the priority items of jobs, salary, length of service, sick and vacation accruals, and benefits.

As we have said in our meetings with employees and the public, we are extremely proud of the high quality of service provided by all members of the UCSF family. You already know that UCSF will require the new entity to offer employment to at least 95% of current UCSF employees directly affected by its creation. We are pleased to announce that the University can and will require the following additional conditions which will apply to all UCSF employees who are offered and accept employment with the new entity.

EMPLOYMENT OFFERS - There have been questions about whether this commitment applies only to Medical Center employees and about the number of employees who would receive employment offers.

Our requirement is that the 95% will apply to ALL UCSF employees directly affected by the formation of the new entity. At this time, we know that all Medical Center employees will be affected by the merger. We also know that an additional unknown number of UCSF employees in other units will be directly affected by the new entity's assumption of UCSF's hospital operations. This would include School of Medicine employees involved in clinical services as well as some Campus employees in such departments as Human Resources, Materiel Management, and Accounting.

Currently there are 4,940 Medical Center employees. This means the new entity will make job offers to at least 4,693 UCSF employees. When we know the number of non-Medical Center UCSF employees directly affected by the merger, that number will be added to the 4,940 and at least 95% of that new total will be offered employment.

WAGES - The new entity will offer a base wage/salary at least equal to what employees earned when employed by UCSF and will continue the initial base wage/salary for at least the first two years of employment with the new entity.

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USE OF UCSF LENGTH OF SERVICE - UCSF length of service will be used for those terms and conditions of employment where the new entity uses length of service. The new entity will determine which policies will include provisions for length of service.

ACCRUAL TRANSFER - Employees will be allowed to transfer accrued compensatory time off (CTO), vacation and sick leave balances for use at the new entity, although the new entity may establish new sick and vacation leave policies.

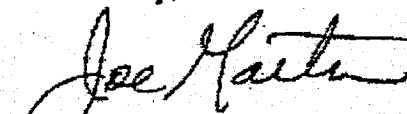
PROBATIONARY PERIOD - UCSF employees who have successfully completed their probation with UCSF will not have a new probationary period.

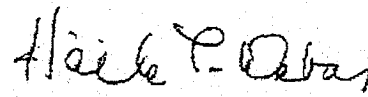
NEW BENEFITS/RETIREMENT - The new entity will provide a health plan, dental plan, vision plan, disability plan, life insurance plan, and retirement plan at the new entity for former UCSF career employees.

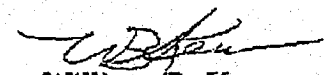
UCSF RETIREMENT - We are continuing to explore possible solutions and hope to have one soon. To that end, we will continue working with UCSF unions in an effort to ensure that such solutions can apply to the employees they exclusively represent.

We hope that the information in this letter will provide some reassurance about the future. We recognize that there are still many unanswered questions about the merger. Some of them can only be answered by the new entity after it has been formed. Your comments and ideas have been helpful, and we will continue to welcome and consider them.

Sincerely,

  
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