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**From:** Senior Vice Chancellor John Plotts [plots2@UCSF.EDU]  
**Sent:** Friday, January 21, 2011 2:10 PM  
**To:** UCSFSTAFF@LISTSRV.UCSF.EDU  
**Subject:** SF Chronicle Coverage of Incentives

Dear Colleagues,

I write to make you aware of a story in the [SF Chronicle](#) today concerning performance-based incentive pay approved for about 1,500 UCSF employees, including union represented and non-represented staff, related fiscal year 2008-09.

The incentive pay ranged between 1 and 15% of annual salary, with most employees receiving less than \$3,000. A few top managers received a higher payment. Most of the employees are in Financial and Administrative Services, where all 1,337, 2008-09 employees received the payment, along with some managers in the School of Medicine and School of Dentistry.

Although the Chronicle article puts this in the context of recent and future UC cuts, I want to emphasize a few key points:

- The incentive payments were awarded based on prescribed goals for the employees including – as the Chronicle reports – cost-savings measures here at UCSF. The item on the Regents agenda yesterday reflects payments made late last year after a one-time approval for 2008-09 incentive plans; that plan has been suspended indefinitely in light of current budget concerns and at the direction of the Regents.
- This item was thoroughly reviewed by the UC Office of the President. These payments – and payments for similar programs at other campuses – were referred to a retired judge to determine whether they were legally binding incentive plans or non-binding bonus arrangements. The judge denied some claims and affirmed others, determining UC was legally obligated to pay the incentive payment to the UCSF employees.
- At President Yudof’s request, the Regents in January 2009 voted to suspend incentive and bonus payments for non-clinical employees – seven months before furloughs and pay cuts were implemented. That suspension also postponed discussion here at UCSF of any plans to expand incentive programs to other employees across the campus at this time. However, University and campus leaders continue to support “at risk,” incentive-based plans, tied to employee performance, to retain and attract the top talent we need to remain a world-class health sciences campus.

You can find the Regents’ notification of these incentive payments among a list of other compensation items at: [www.universityofcalifornia.edu/regents/regmeet/jan11/interim.pdf](http://www.universityofcalifornia.edu/regents/regmeet/jan11/interim.pdf) (see pages 22-23).

Sincerely,

John E. Plotts  
Senior Vice Chancellor – Finance and Administration