

## EXECUTIVE SUMMARY

**Item Name:**            **Multiple-year Employment Contract for Vice President and Director of Athletics (UA)**

- Action Item
- Committee Recommendation to Full Board
- First Read of Proposed Policy Change
- Information or Discussion Item

**Issue:**            The University of Arizona asks the board to approve an extension to the Multiple-year Employment Contract for Gregory Byrne as Vice President and Director of Athletics at the University of Arizona, together with revised monetary terms.

### Enterprise or University Strategic Plan

- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other: Multiple-year Employment Contract

### Statutory/Policy Requirements

ABOR policies 6-1001 through 6-1003 require approval for multiple-year employment contracts.

### Background/History of Previous Board Action

- On June 5, 2014, ABOR approved extending Byrne’s Multiple-year Employment Contract (“Contract”) to May 31, 2019. The University now seeks to extend the Contract by one year, until May 31, 2020, and to revise its monetary terms.
- The proposed monetary revisions fall into two categories. The first revision is to clauses that incentivize Byrne to promote academic and athletic success. The second proposed revision is to advance the vesting and payout schedule for the Longevity Fund that was established by a donor to retain Byrne. Doing so supports retaining Byrne without using any State or Athletic Department funds.

### Contact Information:

Laura Todd Johnson, Vice President for Legal Affairs and General Counsel (UA),  
(520) 621-5150, [LTJ@email.arizona.edu](mailto:LTJ@email.arizona.edu)

## **EXECUTIVE SUMMARY**

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- The proposed contract modifications support retaining Byrne, who is widely regarded as one of the nation's best athletic directors. The Athletic Program has advanced both academically and athletically under Byrne's leadership. For instance, the Men's Basketball Team's most-recent annual APR was a perfect 1,000. There have been dramatic improvements to athletics facilities due to increased capital fundraising as well as an increase in Wildcat Club membership. In an article published on November 13, 2014, *Business Insider Magazine* ranked UA as the 20<sup>th</sup> most dominant college athletic department in the country. Similarly, CBS Sports ranked UA Athletics high on its recent list of "Best in College Sports."
- Neither Byrne nor the program have been involved in any NCAA violations and there has been no litigation related to his employment at UA.
- Byrne's salary is paid entirely from revenue generated by the Athletics Department. No part of his salary is paid from appropriated funds or tuition revenue.
- Incentive payments most recently earned by Byrne as well as Program academic performance are summarized in the attached document.
- Byrne's most recent disclosure of outside athletically-related income is also attached.

### **Discussion**

All monetary terms in Byrne's Contract previously approved by the Board will remain unchanged except as follows:

- The Contract will be extended until May 31, 2020.
- Byrne's Base Salary will be increased by \$25,000 on June 1, 2019, to \$750,000.
- Byrne is currently eligible to receive payments on an annual basis based on UA's ranking in the Director's Cup, which measures overall athletic program success. While the potential payouts will remain intact, UA proposes revising the eligibility criteria as follows:

**EXECUTIVE SUMMARY**

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<u>CURRENT</u>	<u>PROPOSED</u>	<u>AWARD</u>
Ranked 1 <sup>st</sup>	Ranked 1 <sup>st</sup>	Four weeks of Base Salary
Rank between 2 <sup>nd</sup> and 5 <sup>th</sup>	Rank between 2 <sup>nd</sup> and 15 <sup>th</sup>	Two weeks of Base Salary
Rank between 6 <sup>th</sup> and 10 <sup>th</sup>	Rank between 16 <sup>th</sup> and 25 <sup>th</sup>	One week of Base Salary

The change is proposed revision is to make this category more realistic given that UA competes against many programs located in larger markets and that have significantly greater resources. UA's ranking was 36<sup>th</sup> last year. It was last ranked in the top 25 in 2012-2013 (23<sup>rd</sup>), and its all-time highest ranking was 4<sup>th</sup> (in 1995-96)

- UA further proposes to eliminate bonuses based on Student-Athlete Graduation Success Rate because there is no valid comparative data for the general student body. While retaining the same bonus amounts, UA proposes to substitute a Multi-year Academic Progress Rate (MYAPR) metric as follows:

<u>ACHIEVEMENT</u>	<u>BONUS</u>
All male or all female teams receive a MYAPR or annual APR score of at least 950	One week of Base Salary
All male or all female teams receive a MYAPR or annual APR score of at least 975	Two weeks of Base Salary
All male or all female teams receive a MYAPR or annual APR score of 1000	Four weeks of Base Salary

- Finally, the UA proposes to alter the terms of the Longevity Fund the Board previously approved for Byrne's benefit as follows:
  - The Longevity Fund currently provides for Byrne to receive a cash payment equal to the full value of the units in the Fund if he remains employed by UA as of May 31, 2022.

**EXECUTIVE SUMMARY**

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- Prior to May 31, 2022, Byrne currently vests in the Fund at the rate of 1/8 of its value per year through May 31, 2018, after which date he would be fully vested. Under the existing contract, Byrne is therefore currently vested in ¼ of the value of the Fund. Byrne is entitled to payments of the vested amounts only if he is terminated without cause or is terminated with cause as a result of a substantial physical or mental incapacity or death.
- Under the proposed amendment, Byrne will receive a cash payment on May 31, 2020 (vs. 5/31/22), equal to the full fund value, if he is still employed as Vice President and Director of Athletics as of that date. He will also receive revised cash payments if he is terminated without cause or is terminated with cause as a result of a substantial physical or mental incapacity or death (such payments will be made to Byrne's beneficiaries in the case of his death). Therefore, Byrne will not receive any partial or interim payments of the Longevity Fund prior to May 31, 2020, if he voluntarily terminates his employment or is terminated for cause for a reason other than disability or death. The proposed revised vesting schedule is as follows:

From the date of Board approval until May 31, 2017	2/3 of the value
After June 1, 2017	Full value

**Requested Action**

The University of Arizona asks the board to approve the terms set forth above and authorize the University of Arizona to amend the Multiple-year Employment Contract for Gregory Byrne as Vice President and Director of Athletics at the University of Arizona according to such terms.

**EXECUTIVE SUMMARY**

**Attachment One**

<b>GREG BYRNE - ATHLETIC DIRECTOR</b>					
<b>ACADEMIC INCENTIVES 2013-14 (BASED ON NEW CONTRACT EFFECTIVE JULY 1, 2014 THRU MAY 31, 2019)</b>					
<b>PERFORMANCE</b>	<b>BONUS</b>	<b>ACTUAL</b>		<b>AMOUNT</b>	<b>PAID</b>
<b>CUMULATIVE GRADE POINT AVERAGE (CGPA - includes fall, spring &amp; summer terms)</b>					
Male Student-Athlete Cumulative GPA exceeds general University male CGPA (no rounding off)	2 weeks Base Salary	2.65	S-A - 2.81	UA \$ -	N/A
Female Student-Athlete Cumulative GPA exceeds general University female CGPA (no rounding off)	2 weeks Base Salary	3.11	S-A - 3.01	UA \$ 26,245	Dec-14
<b>GRAND TOTAL</b>				<b>\$ 26,245</b>	

**OUTSIDE-INCOME DISCLOSURE  
FOR ATHLETICS DEPARTMENT STAFF MEMBERS**

11.2.2A Form

NAME (please print) GREG BYRNE POSITION VP for Athletics

This form is to be used by athletics department staff members as a means of reporting athletically related income and benefits received from sources outside the institution in accordance with NCAA Bylaw 11.2.2 and Employment Contracts with The University of Arizona. Please attach copies of all contracts or agreements for outside athletically-related income and benefits.

Check here if no outside income has been earned for the past academic year. Sign the reverse side of this document, and return it to the Compliance Office.

Athletically Related Income	Source (Individual or Company)	Income
1. Speaking engagements		\$
		\$
		\$
		\$
2. Additional Employment (Outside I.C.A.)		\$
		\$
3. Endorsement or consultation contracts	<u>Nike</u>	<u>\$ 2,000</u>
		\$
a. Athletics shoes		\$
b. Apparel		\$
c. Equipment		\$
4. Television appearances or commercials		\$
		\$
5. Radio appearances or commercials		\$
		\$
6. Income from corporations in exchange for charitable work		\$
		\$
7. Annuities		\$
		\$
		\$
8. Sports camps /clinics		\$
		\$
		\$
		\$
9. Housing benefits		\$
		\$
10. Country-club membership	<u>Skyline, LaPaloma</u>	<u>\$ 11,900</u>
		\$
11. Complimentary-ticket sales		\$
		\$
12. Other (please specify)		\$
		\$
		\$

**11.2.2 Athletically Related Income.** Contractual agreements, including letters of appointment, between a full-time or part-time athletics department staff member (excluding secretarial or clerical personnel) and an institution shall include the stipulation that the staff member is required to provide a written detailed account annually to the chief executive officer for all athletically related income and benefits from sources outside the institution. In addition, the approval of all athletically related income and benefits shall be consistent with the institution's policy related to outside income and benefits applicable to all full-time or part-time employees. Sources of such income shall include, but are not limited to, the following:

- (a) Income from annuities;
- (b) Sports camps;
- (c) Housing benefits (including preferential housing arrangements);
- (d) Country club memberships;
- (e) Complimentary ticket sales;
- (f) Television and radio programs; and
- (g) Endorsement or consultation contracts with athletics shoe, apparel or equipment manufacturers.

I hereby certify that I am in compliance with all NCAA, conference and institution regulations governing outside income, and have reported herein all such income received during the past year.



Staff Member's Signature

Date

2013-2014  
Academic Year

Reviewed by:



Director of Athletics

8.5.14

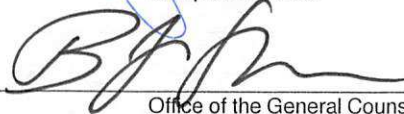
Date



Compliance Office

8/5/14

Date



Office of the General Counsel

8/12/14

Date

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**EXECUTIVE SUMMARY**

**Item Name:**            **Multiple-year Employment Contract for Head Men’s Basketball Coach (UA)**

- Action Item
- Committee Recommendation to Full Board
- First Read of Proposed Policy Change
- Information or Discussion Item

**Issue:**            The University of Arizona asks the board to approve an extension to the Multiple-year Employment Contract for Sean Miller as Head Men’s Basketball Coach at the University of Arizona, together with revised monetary terms.

**Enterprise or University Strategic Plan**

- Empower Student Success and Learning
- Advance Educational Attainment within Arizona
- Create New Knowledge
- Impact Arizona
- Compliance
- Real property purchase/sale/lease
- Other: Multiple-year Employment Contract

**Statutory/Policy Requirements**

ABOR policies 6-1001 through 6-1003 require approval for multiple-year employment contracts.

**Background/History of Previous Board Action**

- On June 5, 2014, ABOR approved extending Coach Miller’s Multiple-year Contract (“Contract”) to May 31, 2019. The University now seeks to extend the Contract by one year, until May 31, 2020, and to revise its monetary terms.
- In addition, UA proposes to advance the vesting schedule for the Longevity Fund that was established by a donor to retain Miller. Doing so further supports retaining Miller without using any State or Athletic Department funds.

**Contact Information:**

Greg Byrne, Vice President and Director of Athletics, (520) 621-4622, [gbyrne@arizona.edu](mailto:gbyrne@arizona.edu)  
Laura Todd Johnson, Vice President for Legal Affairs and General Counsel (UA), (520) 621-5150, [LTJ@email.arizona.edu](mailto:LTJ@email.arizona.edu)

## **EXECUTIVE SUMMARY**

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- The contract modifications support retaining Coach Miller, who is widely regarded as one of the nation's best basketball coaches. The Team has participated in post-season competition every year under his leadership, and most recently advanced to the Elite Eight of the NCAA Tournament, finishing with a record of 34-4. Moreover, its most-recently published Academic Progress Rate was a perfect 1,000.
- Miller has not been involved in any NCAA violations and there has been no litigation related to his employment as Head Coach. He was involved in one minor press controversy three seasons ago involving criticism of an official's call.
- Miller's salary is paid entirely from revenue generated by the Athletics Department. No part of his salary is paid from appropriated funds or tuition revenue.
- Incentive payments most recently earned by Miller as well as Team academic performance are summarized in the attached document.
- Miller's most recent disclosure of outside athletically-related income is also attached.

### **Discussion**

All monetary terms in Miller's Contract previously approved by the Board will remain unchanged except as follows:

- The Contract will be extended until May 31, 2020.
- The automatic \$100,000 adjustment this Board previously approved to Miller's Base Salary each July 1<sup>st</sup> will continue for the added year (Miller's Base Salary is currently \$1,400,000 exclusive of \$700,000 per year for peripheral duties [i.e., radio and television programs, speaking engagements, etc.]; the automatic adjustments are in lieu of any across-the-board salary adjustments that may become available from time-to-time to other University employees).
- In addition, the UA proposes to alter the terms of the Longevity Fund the Board previously approved for Miller's benefit as follows:
  - The Longevity Fund currently provides for Miller to receive a cash payment equal to the full value of the units in the Fund if he remains employed by UA as of May 31, 2022.

**EXECUTIVE SUMMARY**

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- Prior to May 31, 2022, Miller currently vests in the Fund at the rate of 1/8 of its value per year through May 31, 2018, after which date he would be fully vested. Under the existing contract, Miller is therefore vested in ¼ of the value of the Fund. Miller is entitled to payments of the vested amounts only if he is terminated without cause or is terminated with cause as a result of a substantial physical or mental incapacity or death. Therefore, he would not be entitled to any interim payments if he voluntarily leaves University employment or remains continuously employed.
- Under the proposed amendment, Miller will receive a cash payment on May 31, 2020 (vs. 5/31/22), equal to the full fund value, if he is still employed as Head Men’s Basketball Coach as of that date. He will also receive revised cash payments if he is terminated without cause or is terminated with cause as a result of a substantial physical or mental incapacity or death (such payments will be made to Miller’s beneficiaries in the case of his death). Therefore, Miller will not receive any partial or interim payments of the Longevity Fund prior to May 31, 2020, if he voluntarily terminates his employment or is terminated for cause for a reason other than disability or death. The proposed revised vesting schedule is as follows:

From the date of Board approval until May 31, 2017	2/3 of the value
After June 1, 2017	Full value

**Requested Action**

The University of Arizona asks the board to approve the terms set forth above and authorize the University of Arizona to amend the Multiple-year Employment Contract for Sean Miller as Head Men’s Basketball Coach at the University of Arizona according to such terms.

**EXECUTIVE SUMMARY**

**ATTACHMENT ONE**

<b>2014-15 COACHES/STAFF INCENTIVES</b>			
<b>SEAN MILLER - MEN'S BASKETBALL (effective July 1, 2012 through May 31, 2019)**RENEWED JULY 2014**</b>			
<b>ATHLETIC PERFORMANCE (amounts are cumulative)</b>			
Wins Pac-12 REGULAR season Championship	\$50,000	<b>Pac-12 Champs</b>	<b>\$ 50,000.00</b>
Wins Pac-12 Tournament Championship	\$50,000	<b>Tourn Champs</b>	<b>\$ 50,000.00</b>
<b>NCAA POST-SEASON TOURNAMENT PARTICIPATION - cumulative</b>			
Team advances to "Elite Eight" in NCAA Tournament	\$50,000	<b>Advanced to Elite 8</b>	<b>\$ 50,000.00</b>
Team advances to "Sweet Sixteen" in NCAA Tournament	\$50,000	<b>Advanced to Sweet 16</b>	<b>\$ 50,000.00</b>
Advances to "Third Round" in NCAA Tournament	\$25,000	<b>Advanced to 3rd Round</b>	<b>\$ 25,000.00</b>
<b>FINAL TEAM RANKINGS (amounts not cumulative, not to exceed \$30,000)</b>			
Team ranked within the Top 10 teams in the final regular season NCAA Regular-Season Rankings by either Coaches Poll or AP Poll	\$30,000	<b>4th Coaches Poll</b>	<b>\$ 30,000.00</b>
<b>UNIVERSITY MBK TEAM WINNINGS RECORD (excludes pre-season, exhibition and post-season games)</b>			
<b>GAME SEASON WINS/LOSSES (amounts NOT cumulative, capped at \$40,000)</b>			
Team wins at least 25 REGULAR season games (does not included Pac-12 Tournment)	\$40,000	<b>28-3</b>	<b>\$ 40,000.00</b>
<b>ACADEMICS (FOR 2013-14)</b>			
Multi-Year APR is 1000 (no rounding off)	\$50,000	<b>1000 *</b>	<b>\$ 50,000.00</b>
		<b>GRAND TOTAL</b>	<b>\$ 345,000.00</b>

**OUTSIDE-INCOME DISCLOSURE  
FOR ATHLETICS DEPARTMENT STAFF MEMBERS**  
11.2.2A Form

NAME (please print) Sean Miller POSITION Head Coach

This form is to be used by athletics department staff members as a means of reporting athletically related income and benefits received from sources outside the institution in accordance with NCAA Bylaw 11.2.2 and Employment Contracts with The University of Arizona. Please attach copies of all contracts or agreements for outside athletically-related income and benefits.


Check here if no outside income has been earned for the past academic year. Sign the reverse side of this document, and return it to the Compliance Office.

Athletically Related Income	Source (Individual or Company)	Income
1. Speaking engagements	_____	\$ _____
	_____	\$ _____
	_____	\$ _____
	_____	\$ _____
2. Additional Employment (Outside I.C.A.)	<u>NIKE</u>	\$ <u>200,000</u>
	_____	\$ _____
3. Endorsement or consultation contracts	<u>NIKE ELITE</u>	\$ <u>3,000</u>
	_____	\$ _____
a. Athletics shoes	_____	\$ _____
b. Apparel	_____	\$ _____
c. Equipment	_____	\$ _____
4. Television appearances or commercials	<u>IMG</u>	\$ <u>200,000</u>
	_____	\$ _____
5. Radio appearances or commercials	_____	\$ _____
	_____	\$ _____
6. Income from corporations in exchange for charitable work	_____	\$ _____
	_____	\$ _____
7. Annuities	_____	\$ _____
	_____	\$ _____
8. Sports camps / clinics	<u>Sean Miller Basketball Camp</u>	\$ <u>0</u>
	_____	\$ _____
	_____	\$ _____
	_____	\$ _____
9. Housing benefits	_____	\$ _____
	_____	\$ _____
10. Country-club membership	_____	\$ _____
	_____	\$ _____
11. Complimentary-ticket sales	_____	\$ _____
	_____	\$ _____
12. Other (please specify) _____	_____	\$ _____
	_____	\$ _____
	_____	\$ _____

**11.2.2 Athletically Related Income.** Contractual agreements, including letters of appointment, between a full-time or part-time athletics department staff member (excluding secretarial or clerical personnel) and an institution shall include the stipulation that the staff member is required to provide a written detailed account annually to the chief executive officer for all athletically related income and benefits from sources outside the institution. In addition, the approval of all athletically related income and benefits shall be consistent with the institution's policy related to outside income and benefits applicable to all full-time or part-time employees. Sources of such income shall include, but are not limited to, the following:

- (a) Income from annuities;
- (b) Sports camps;
- (c) Housing benefits (including preferential housing arrangements);
- (d) Country club memberships;
- (e) Complimentary ticket sales;
- (f) Television and radio programs; and
- (g) Endorsement or consultation contracts with athletics shoe, apparel or equipment manufacturers.

I hereby certify that I am in compliance with all NCAA, conference and institution regulations governing outside income, and have reported herein all such income received during the past year.

  
\_\_\_\_\_  
Staff Member's Signature

6/27/14  
\_\_\_\_\_  
Date

2013-14  
\_\_\_\_\_  
Academic Year

Reviewed by:

  
\_\_\_\_\_  
Director of Athletics

8/5/14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Compliance Office

8/5/14  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Office of the General Counsel

8/12/14  
\_\_\_\_\_  
Date

## EXECUTIVE SUMMARY

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**Item Name:**            **Multiple-year Employment Contract for Head Football Coach (ASU)**

- Action Item
- Committee Recommendation to Full Board
- First Read of Proposed Policy Change
- Information or Discussion Item

**Issue:**            Arizona State University asks the board to approve a one-year extension of the Multiple-year Employment Contract for Michael Todd Graham as Head Football Coach at Arizona State University and certain other changes.

### **Statutory/Policy Requirements**

ABOR Policies 6-1001 through 6-1003 require approval of multiple-year employment contracts.

### **Background/History of Previous Board Action**

- Todd Graham (“Coach”) is currently serving as Head Coach of the ASU Football Team under a Multiple-year Employment Contract, which will expire on June 30, 2019.
- Coach’s contract provides that ASU will seek Board approval to extend the contract for an additional year following completion of the football program’s 2014 season. ASU now seeks approval to amend Coach’s contract to extend the term of the contract through June 30, 2020 and make certain other changes. Coach’s teams accomplished back-to-back 10-win seasons for the first time since 1973 and have three consecutive bowl appearances. Coach’s teams are 28-12 since his hire. In 2013, Coach led the Sun Devils to a Pac-12 South Divisional Championship, a 10-2 regular season record and an appearance in the National University Holiday Bowl. ASU finished the 2013 season ranked in the Top-25. In Coach’s first season at ASU, he took the Sun Devils to their first winning season since 2007 and a victory in the Kraft Fight Hunger Bowl. Coach’s 2014 team had 12 Pac-12 All-Academic selections, the highest in program history. The fall 2013 semester exceeded the previous all-time high with 57 student-athletes earning a GPA of 3.00 or higher.
- Based on due diligence, ASU has no knowledge that Coach has violated NCAA or Pac-12 Conference rules or otherwise engaged in wrongdoing, and there has

### **Contact Information:**

José Cárdenas, Senior Vice President and General Counsel, ASU, (480) 965-4550, jcardenas@asu.edu  
Ray Anderson, Vice President for University Athletics, ASU, (480) 965-8419, reanderson@asu.edu

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been no litigation or press controversies related to his employment as Coach.

- Academic and athletic performance bonuses earned by Coach are summarized in the attachment to this Executive Summary.

### Discussion

- As provided in the contract, ASU desires to extend the term of Coach's contract an additional year from June 30, 2019 to June 30, 2020. The contract further provides that, if grounds do not exist for termination for cause, ASU will ask the Board to extend Coach's contract for one additional year following completion of the 2015 football season. Any such extension is in the sole discretion of the Board.
- Coach's current salary is \$2,800,000. Coach's amended contract will provide for Coach's annual salary to increase to \$3,000,000 on July 1, 2015. On each January 1 thereafter, Coach's annual salary will be increased by \$100,000. Coach's salary will be paid from public university funds, specifically from revenue generated by Sun Devil Athletics.

### Annual Incentive Bonuses

#### I. Athletic Performance Bonuses

Coach may receive one-time compensation on an annual basis for the following athletic performance achievements by the Sun Devil Football program in a given year. There will be only one payment for the highest achievement under each section except as otherwise noted.

##### (A) Conference Performance:

Appearance in Pac-12 Conference Championship      10% of annual salary

**OR**

Wins Pac-12 Conference Championship      20% of annual salary

##### (B) Post-Season Performance:

Appearance in national championship game      40% of annual salary

**OR**

Wins college football national championship      50% of annual salary



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Appearance in college football semifinal game	30% of annual salary
<b>OR</b>	
Wins college football semifinal game	35% of annual salary
Appearance in a major bowl game (Rose, Sugar, Orange, Cotton, Peach or Fiesta)	15% of annual salary
<b>OR</b>	
Wins major bowl game	25% of annual salary
Appearance in any non-major bowl game	1 month of annual salary
<b>AND</b>	
Wins non-major bowl game	\$25,000

(C) Regular and Post-Season Wins (payment in this section is cumulative; total possible bonus = \$900,000):

8 wins =	\$50,000
9 wins =	\$100,000
10 wins =	\$150,000
11 wins =	\$250,000
12 wins =	\$350,000

(D) Coach of the Year Awards (there will be a one-time payment for each achievement):

National Coach of the Year	\$100,000
Any other Coach of the Year	\$50,000

(E) Rankings in Final Polls (there will be only one payment for the highest achievement; whichever ranking is highest and regardless of poll):

Top 5 Ranking in Final Poll	3% of annual salary
Top 10 Ranking in Final Poll	2% of annual salary
Top 25 Ranking in Final Poll	1% of annual salary

Based on Coach's present annual salary, if Coach earned the maximum athletic performance bonus allowed in each category, he would receive \$3,240,000.

**EXECUTIVE SUMMARY**

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II. Academic Performance Bonuses

Coach may receive additional one-time compensation on an annual basis for the following academic performance achievements by the Sun Devil Football program in a given year. There will be only one payment for the highest achievement.

<u>Compensation</u>	<u>Academic Year GPA</u> (NCAA Definition)		<u>Graduation Success Rate</u> (NCAA Definition)
\$ 50,000	2.60	OR	65%
\$ 75,000	2.65	OR	70%
\$100,000	2.70	OR	75%
\$125,000	2.75	OR	80%
\$150,000	2.80	OR	85%
\$175,000	2.90	OR	90%
\$200,000	3.00	OR	95%

In addition, Coach will receive a bonus of 10% of annual salary if the football team's Academic Progress Rate (APR) is 970 or above.

Note that the Current Team GPA for the 2014-15 year is 2.55, the Graduation Success Rate (GSR) is 69%, and the APR for 2013-14 (the most recent available) is 949.

Based on Coach's present annual salary, if Coach earned the maximum academic performance bonus allowed in each category, he would receive \$500,000.

- Coach will receive customary employee-related benefits that are normally available to other university staff employees. Coach will receive additional benefits consisting of tickets to ASU sporting events, use of two automobiles or a stipend, golf privileges at the ASU Karsten Golf Course, reimbursement of membership fees and monthly dues at a country club.
- As part of his basic duties, Coach will conduct a camp to enhance public support of the Sun Devil Football program. ASU will own all rights to the camp and all revenues from the camp will be reserved to ASU.
- Coach may enter into personal service agreements with other parties provided such agreements are limited to speaking engagements and further provided that such agreements are approved in advance by the ASU President (or the President's designee) and can be performed within NCAA and ABOR limits. Coach must

## EXECUTIVE SUMMARY

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provide an annual disclosure of all outside sources of athletics-related income and benefits, which will be provided to the Board, the ASU President and the ASU Vice President for University Athletics.

- Coach will forfeit and repay any incentive or performance bonus paid to Coach when the achievements that were the basis for such payments are vacated, diminished or in any way affected by any sanctions, whether self-imposed by ASU or imposed by the Pac-12 or the NCAA, resulting from violations of NCAA or Pac-12 Conference rules by Coach or by an assistant coach or other program member and either Coach knew or should have known that the violation had occurred or was occurring or Coach failed to establish and maintain reasonable policies and procedures for the program to prevent such violations. This clause applies regardless of whether such violations result in termination of the contract and regardless of whether Coach is still employed by ASU.
- The contract may be terminated by the ASU President, or his designated representative, for cause in which case ASU will be liable only for salary and other compensation earned as of the termination date. If the contract is terminated by ASU for cause and the cause is one or more material violations by the program of NCAA or Pac-12 Conference rules, there will be a provision for Coach to pay to ASU its actual damages up to \$100,000 resulting from the violations.
- ASU may terminate the contract at any time without cause. In that event, ASU will pay Coach as liquidated damages 100% of the then per annum salary for the remainder of the contract term. ASU will also pay Coach any salary and incentive bonuses earned through the termination date. In addition, if ASU does not extend Coach's contract or receive Board approval for an extension following completion of the 2015 season and thereafter terminates Coach's contract (other than for cause) prior to the end of the 2015 season, ASU will pay Coach \$2,500,000. ASU will not be liable to Coach for other university benefits or collateral business opportunities.
- If Coach terminates the contract early and takes another intercollegiate coaching position or a professional coaching position, ASU shall collect an amount, as determined by the ASU President, from Coach up to \$1,500,000. If ASU does not extend Coach's contract or receive Board approval for an extension following completion of the 2015 season, then the liquidated damages payable by Coach shall be eliminated. The liquidated damages amount shall remain at \$1,500,000 following the 2015 season provided the term of Coach's contract remains at five years. If Coach's contract is not renewed and the term decreases to four years, then the liquidated damages amount will be reduced to \$1,000,000 for the remaining term of the contract.
- If Coach terminates the contract, Coach may not obtain employment as head coach

## **EXECUTIVE SUMMARY**

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with any Pac-12 Conference school for the time period remaining under the contract without the prior consent of the ASU President.

- Coach's duties include the obligation to abide by the applicable Board policies and ASU rules, regulations and policies as may be in effect from time to time as well as conflict of interest laws.

### **Committee Review and Recommendation**

The Regents Executive Committee reviewed this item at its September 15, 2015 meeting and recommended forwarding the item to the full board for review and approval.

### **Requested Action**

Arizona State University asks the board to approve the terms and authorize Arizona State University to enter into an amendment to the Multiple-year Employment Contract for Michael Todd Graham as Head Football Coach at ASU, as described in the Executive Summary.

**EXECUTIVE SUMMARY**

**TODD GRAHAM  
HEAD FOOTBALL COACH  
Arizona State University**

**Athletics Performance Bonuses**

<u>Season</u>	<u>Performance Milestone</u>	<u>Bonus</u>
2012	Appearance in non-BCS bowl game	\$166,667
	Wins non-BCS bowl game	\$25,000
	8 Regular Season Wins	\$50,000
	Total	\$241,667
2013	Appearance in Pac-12 Championship	\$230,000
	Appearance in non-major bowl game	\$191,667
	10 Regular and Post-Season Wins	\$150,000
	Pac-12 Coach of the Year	\$ 50,000
	Top 25 Ranking in Final Poll	\$ 23,000
Total	\$644,667	
2014	Appearance in non-major bowl game	\$225,000
	Win non-major bowl game	\$25,000
	10 Regular and Post-Season Wins	\$300,000
	Top 25 Ranking in Final Poll	\$27,000
Total	\$577,000	

**Academic Performance Bonuses**

<u>Fiscal Year</u>	<u>Performance Milestone</u>	<u>Bonus</u>
2012	GPA 2.37 or GSR 64%	\$
2013	GPA 2.40 or GSR 63%	\$
2014	GPA 2.60 or GSR 67%	\$50,000