

MULTIPLE YEAR EMPLOYMENT CONTRACT FOR UNIVERSITY PRESIDENT

This contract is executed by and between the Arizona Board of Regents (Board) and Dr. Ann Weaver Hart (University President), and will become effective on July 1, 2012 (Effective Date).

The parties promise and agree as follows:

1. Employment

The Board hereby employs Dr. Hart as University President for a term of 3 years from July 1, 2012 through June 30, 2015. In addition, the Board agrees to extend to University President an appointment as a tenured professor in the University of Arizona College of Education, Department of Educational Policy Studies and Practice. This appointment as a tenured faculty member will be on a fiscal year basis and will be an inactive and nonpaid appointment until University President no longer serves as President. University President accepts employment in this position and agrees to faithfully and diligently perform all acts and duties incident to the position including, without limitation, the following:

- a. The performance of all duties and responsibilities of University President as set forth in the appropriate position description and policies of the Board as are now or later adopted;
- b. The performance of all duties and responsibilities as may be required by Arizona or federal law to be performed by a University President; and

- c. The performance of all other duties and responsibilities as from time to time may be assigned to the University President, including leading the university in progressing toward strategic goals established or identified by the Board, such as the goals established in the Board's Enterprise Metrics.

2. Term

The term of this Contract continues in force from the Effective Date through June 30, 2015 at which time this Contract terminates unless it is renewed. Neither this Contract nor any other matter regarding University President's employment will be deemed to confer continuing employment status as University President.

3. Applicable Board Policy

University President's employment is subject to ABOR 6-1101 and 6-1102, entitled "Multiple Year Appointments of University Presidents and the President of the Board," which is incorporated by reference.

4. Consideration

In consideration of the faithful performance of this Contract, University President shall receive the following compensation and benefits during the term:

- a. A base annual salary of \$ 475,000. The base salary is payable to University President consistent with state law and Board policy in equal biweekly installments in accordance with the payroll policies of the State of Arizona and the University of Arizona and subject to such deductions as may be required by applicable state and federal laws or Board policy.

- b. A contribution to a retirement program at an annual rate of 18% of base salary (\$ 85,500), to be paid from funding sources available to the University of Arizona other than legislative appropriations.
- c. A housing allowance in the amount of \$ 50,000 per year, to be paid in equal monthly payments from funding sources other than legislative appropriations except to the extent the Legislature authorizes the use of these funds in payment of the allowance.
- d. An automobile allowance in the annual amount of \$10,000, to be paid in twelve equal monthly payments from available funding sources other than legislative appropriations except to the extent the Legislature authorizes the use of these funds in payment of the allowance; in addition, all business-related travel in University President's personal vehicle is eligible for reimbursement at the rate available to all university employees.
- e. All additional employment-related benefits regularly provided to administrative employees of the University of Arizona, including, without limitation, annual leave, sick leave, health insurance, disability insurance, and retirement benefits. These benefits will be provided in accordance with Board policy and Arizona law and are subject to change from time to time by the Arizona legislature, the Board or the University.
- f. A one-time payment for actual moving expenses in accordance with UA Relocation Policy for New Employees, not to exceed \$20,000. The Board shall also reimburse University President for actual travel related expenses incurred by Board President in visiting Arizona for employment related purposes prior to assuming the position on July 1, 2012. These

expenses may include reasonable expenses incurred by University President and her spouse for up to 2 visits to Arizona prior to July 1, 2012.

- g. A one-time payment of \$100,000 for transition expenses to be paid from non-university funds. University President will be required to repay this transition expense payment if she leaves employment as University President prior to June 30, 2015.

The annual base salary and other elements of the compensation package are subject to change following completion of Board review of presidential performance as described in Paragraph 8 of this Contract.

5. Performance Incentives

- a. University President will be eligible to receive performance incentives for achieving performance goals to be set forth in a separate agreement to be executed on or before October 1, 2012.
- b. The sources of information for individual goals will be the UA Office of Institutional Research and Planning Support, UA Budget Office and the UA Office of Research. Each goal will be measured as of June 30, 2015 unless otherwise specified.
- c. University President will receive \$10,000 for each of the 10 individual performance goals achieved during the term of the Contract. Partial attainment of a goal will not result in any incentive payment for that goal (i.e., payments will not be pro-rated). If all 10 of the above performance goals are reached, University President will be eligible for a performance incentive payment of \$100,000 (\$10,000 for each of 10 goals completed) plus an additional performance incentive payment of \$50,000 (for reaching

all 10 goals). Payment for achieving performance goals will be made promptly after the end of the current Contract term (June 30, 2015).

6. Entertainment

The Board shall provide additional funds to cover entertainment expenses reasonably and necessarily incurred by the University President in fulfilling assigned duties and responsibilities. Such funds will be derived from funding sources available to the University of Arizona.

7. Availability of Funds

Compensation for each succeeding year beyond the current fiscal year is expressly made contingent upon the availability of funds. If University President receives notice from the Board that funds are not available for the compensation provided in this Contract, University President shall have the right to terminate this Contract without the obligation to pay liquidated damages.

8. Annual Compensation Review

Pursuant to ABOR 6-106.B., the Board shall review the performance of University President for compensation-setting purposes once each year. The performance review shall be completed and results conveyed confidentially in writing to the University President before the annual compensation decision is made. The Board shall consider performance measures mutually agreed upon by the Board and the University President in making its compensation decision. Any change in annual compensation shall be set forth in the form of a written amendment to this Contract executed by the parties.

9. Annual Disclosure of Affiliations

University President shall provide an annual disclosure statement describing all organizations with which University President is affiliated to the Board.

10. Termination by Board for Cause

a. This Contract may be terminated by the Board for cause so as to bar the University President from entitlement to further payment of compensation.

Cause shall include:

1. demonstrated dishonesty;
2. substantial neglect of properly assigned duties;
3. personal conduct that substantially impairs fulfillment of properly assigned duties and responsibilities by the University President;
4. substantial physical or mental incapacity to perform assigned duties with due consideration given to the nature and duration of the incapacity;
5. conviction of a criminal act that constitutes either a felony, a misdemeanor involving moral turpitude, or that otherwise reflects adversely on the person's fitness to serve as University President;
6. a material violation of the Code of Conduct or other Board or University policies governing employee conduct or practices.

11. Termination by Board without Cause

The Board may, at its sole discretion, terminate this Contract at any time without cause by delivering to University President written notice of the Board's intent to terminate this Contract, which notice shall be effective not less than 120 days after delivery of the notice. In such event, University President shall be entitled to receive

liquidated damages in lieu of all other remedies available to the University President, as set forth below:

- a. "Salary" for the purpose of establishing the specified liquidated damages shall be limited to the items included in Paragraphs 4(a), 4(b), 4(c) and 4(d) of this Contract.
- b. Liquidated damages shall be that which the University President would have received as salary to the end of this Contract.
- c. The sum to be paid shall be reduced by the amount of compensation received by the University President if subsequently employed in a comparable administrative position, i.e., a chief executive officer, at another institution of higher education during the period covered by this Contract, or by the amount of compensation subsequently received as an employee of the Board during the period covered by this contract.

12. Procedures for Termination for Cause

- a. The Board may suspend the University President with pay if the Board determines that the continued presence of the University President on the campus may substantially interfere with the orderly functioning of the University. The Board will provide timely notice to the University President of the basis for the suspension and provide an opportunity for the University President to respond. If the University President requests a hearing on the issue of suspension before the Board, a hearing will be convened within 30 days.
- b. If the Board gives notice to the University President of its intention to terminate for cause, it will follow the following process.

- i. The Board will provide notice to the University President of the basis for termination and a description of any evidence it has in support of termination.
 - ii. The Board will give the University President an opportunity to respond.
 - iii. Upon receipt of the notice of the basis for termination, the University President will have 10 days to request in writing a hearing before the Board. If the Board does not receive a request for hearing during this time, the termination will become final.
 - iv. Within 30 days after receiving a request for hearing, the Board will convene a hearing. The Board's determination following the hearing will be final.
- c. Any of the timelines set forth in this section may be extended by mutual agreement of the University President and the Board Chair.

13. Termination by University President

University President may terminate this Contract for any reason by written notice to the Board, which notice shall become effective no less than 90 days from the delivery of the notice. University President may be obligated to pay liquidated damages in an amount that is reasonable in light of the anticipated or actual loss caused by the breach, but not to exceed \$100,000. The parties acknowledge that the Board and the University will incur administrative, recruiting and resettlement costs in obtaining a replacement University President. In addition, the University and the Board may incur increased compensation costs which may be difficult to determine with certainty, and accordingly agree to this liquidated damages provision. Notwithstanding the above, University

President shall not be obligated to pay liquidated damages so long as the Board is provided with at least 120 days notice of the University President's intent to terminate.

14. Interpretation and Applicable Law

This agreement is made under and shall be interpreted according to the laws of the State of Arizona. This agreement is freely negotiated between the parties, and any rule to the effect that an agreement shall be construed against the drafting party shall have no application to this agreement. If any provision of the agreement or the application thereof shall be held invalid or unenforceable, the remaining provisions and their application shall not be affected thereby and shall continue to be fully effective and enforceable.

15. Merger

This Contract constitutes the full and complete agreement of the parties. No prior or subsequent written or oral understandings or representations pertaining to the subject matter of this Contract shall be binding upon the parties unless contained herein or set forth in the form of written amendment(s) to this Contract, executed by both parties and approved by the Board prior to becoming effective.

16. Approval by Board

This Contract is not effective until approved or authorized by the Board.

ARIZONA BOARD OF REGENTS

By 

Bob McLendon
Board Chair



Ann Weaver Hart

Date

Date