

EXECUTIVE SUMMARY

Item Name: Multiple-Year Employment Contract for Head Men's Basketball Coach (ASU)

Action Item

Requested Action: Arizona State University asks the board to approve an extension of the Multiple-Year Employment Contract for Robert Hurley as Head Men's Basketball Coach at ASU and certain other changes.

Background / History of Previous Board Action

- Robert Hurley ("Coach") is currently serving as Head Coach of the ASU Men's Basketball Team under a Multiple-Year Employment Contract, which will expire on June 30, 2024. ASU desires to extend the term of Coach's contract for an additional two years and to make certain other changes.
- Coach just finished his eighth season at ASU and has led the Sun Devil Men's Basketball team into one of the most successful eras in program history. Not only has Coach directed the program to three NCAA Tournament appearances and two NCAA Tournament victories, Coach has also won 20+ games in four of the last six seasons. Coach is coming off a 23-win season in 2022-23 in which the team earned an at-large berth in the NCAA Tournament where they secured a First Four victory over Nevada.
- In winning 20+ games four times over the past six years, Coach accomplished a feat seldom reached in Tempe. The program had reached that mark only nine times in the previous 35 years. The 23 wins this past season is the most in the Hurley era, as the state of the program is as strong as ever. This is only the fifth time since 1980-81 that Arizona State has won 23 games in a season. Coach joins Ned Wulk as the only two coaches in program history to take the Sun Devils to three NCAA Tournaments. He is the first coach since Bill Frieder (1989-97) to win multiple NCAA Tournament games in his coaching tenure at ASU.
- The Sun Devil Men's Basketball program has earned perfect Academic Progress Rate scores of 1000 for each of 2019-20 and 2020-21 (the most recent available scores) and perfect Graduation Success Rates of 100% for each of 2020-21 and 2021-22 (the most recent available scores). ASU is not aware of any issues affecting Coach's continued employability such as NCAA or Pac-12 Conference rule violations, litigation or press controversies related to his employment as a coach, or allegations of wrongdoing.

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- The most recent academic and athletic performance bonuses earned by Coach are summarized in the attachment to this Executive Summary.

Discussion

All terms in Coach’s contract previously approved by the board will remain unchanged except as follows:

- ASU proposes to extend the term of Coach’s contract an additional two years from June 30, 2024 to June 30, 2026.
- Coach’s current annual salary is \$2,600,000. Under Coach’s current contract, Coach’s annual salary increases by \$100,000 on July 1 and can be further increased by the amounts set forth below depending on achievement of certain performance milestones in a given year (potential additional increase of up to \$425,000).

<u>Performance Criteria</u>	<u>Salary Increase</u>
Regular Season Pac-12 Conference Champion	\$50,000
NCAA Tournament Appearance, Round of 32	\$75,000
NCAA Tournament Appearance, Sweet 16	\$100,000
NCAA Tournament Appearance, Final 4	\$200,000

ASU proposes to amend Coach’s contract to provide for Coach’s annual salary to increase by \$200,000 on July 1, 2023, and by \$100,000 on each July 1 thereafter (i.e., on July 1, 2024 and 2025). All other terms related to salary increases would remain the same. Coach’s salary will be paid from public university funds, specifically from revenue generated by Sun Devil Athletics.

- Coach’s current contract provides for Coach to receive a retention bonus of \$500,000 if Coach is employed as Head Men’s Basketball Coach at ASU through January 1, 2024. ASU proposes to amend Coach’s contract to provide for Coach to receive an additional retention bonus of \$600,000 if Coach is employed as Head Men’s Basketball Coach at ASU through January 1, 2026. If Coach’s contract is terminated for any reason other than by ASU without cause, ASU will have no obligation to pay Coach any portion of the retention bonus. However, if ASU terminates Coach’s contract without cause, Coach will receive a portion of the retention bonus based on when termination occurs as follows: if ASU terminates Coach’s contract without cause before January 1, 2024, he will receive no part of the proposed retention bonus; if ASU terminates Coach’s contract without cause after January 1, 2024 but before January 1, 2025, he will

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receive \$300,000; and if ASU terminates Coach's contract without cause after January 1, 2025, he will receive the full \$600,000.

- Under Coach's current contract, if Coach terminates the contract early and takes another intercollegiate coaching position or a professional coaching position, ASU may require Coach to pay ASU the following amounts based on a five-year contract term: \$3,000,000 if Coach terminates the contract in year 1; \$2,500,000 if Coach terminates the contract in year 2; \$2,000,000 if Coach terminates the contract in year 3; \$1,000,000 if Coach terminates the contract in year 4; and nothing if Coach terminates the contract in year 5; provided that Coach's buyout is reduced by 50% for each respective year if at any time during the term of the contract Ray Anderson ceases to be ASU's Vice President for University Athletics. ASU proposes to amend Coach's contract to provide for Coach's buyout to be as follows: \$2,000,000 if Coach terminates the contract before June 30, 2024; \$1,500,000 if Coach terminates the contract after June 30, 2024 but before June 30, 2025; and nothing if Coach terminates the contract after June 30, 2025. If Coach's contract is subsequently extended, these buyout terms will be adjusted based on the number of years in the extended contract term.

Statutory / Policy Requirements

ABOR Policy 6-910 requires board approval of multiple-year employment contracts for head basketball coaches.

ABOR Policy 6-1001 provides the requirements for multiple-year appointments of head coaches.

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**ROBERT HURLEY
HEAD MEN'S BASKETBALL COACH
Arizona State University**

Athletics Performance Bonuses

<u>Season</u>	<u>Performance Milestone</u>	<u>Bonus</u>
2021		\$0
2020		\$0

Academic Performance Bonuses

<u>Fiscal Year</u>	<u>Performance Milestone</u>	<u>Bonus</u>
2022	GSR 100%	\$150,000
2021	GSR 100%	\$150,000