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February 4, 2014

CHANCELLORS

Delegation of Authority – Compensation Contracts for Certain Athletic Positions and Coaches

At their meeting of July 18, 2007, The Regents approved specific and limited delegations of authority to the President, and further delegations from the President to the Chancellors, to negotiate and finalize compensation contracts for all men's and/or women's coaches and football offensive/defensive coordinators. Subsequently, the delegation was amended in September 2008 to clarify the basic assumption of how we compare the changes being recommended in a new contract versus what had been agreed to in the previous contract. Comparing the relative value of multi-year contracts did not address the issues of why the new contract is needed and weakened the effectiveness of the delegation. Therefore, language was added to allow consideration of duration in the calculation of cumulative impact. In addition, there were a number of other language changes that helped clarify and streamline the delegation. The amendment to the delegation was approved by The Regents on September 18, 2008.

Consistent with C6 Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide that was approved by The Regents at the September 2008 meeting and effective as of The Regents' action of September 18, 2008, I hereby delegate authority to you as set forth below.

You are authorized to negotiate compensation contracts for certain athletic positions and all men's and women's athletic coaches for reasons of:

- a. **Pre-emptive or Active Retention:** When the Chancellor, or his/her designee, needs to negotiate with an incumbent coach as a result of that coach receiving an expression of serious interest of employment from another entity, an actual offer of employment from another entity, or having achieved such accomplishments that he/she becomes significantly more marketable.
- b. **Replacement:** After a coach leaves his/her position either by his/her own choice or by the department's choice, the Chancellor, or his/her designee, must immediately negotiate with candidates to replace the coach who is leaving his/her position.

With respect to the above-named circumstances, you are delegated authority to negotiate compensation as follows:

- a. **Guaranteed Compensation – Authority to negotiate an increase of up to 30 percent on the annual guaranteed compensation, defined as salary and talent fees. This authority applies the 30 percent limit to the change from the previous year’s contract to the first year of the renewed contract or between the previous incumbent’s final contract year in the position and the first year of the new contract and assumes equal applicability of that number to each contract year and a 30 percent limit to the overall cumulative total, before and after negotiation, for Guaranteed Compensation under the new and old contracts adjusted so that a change in contract duration does not impact the comparison.**
- b. **Maximum Bonus (exclusive of a signing bonus): Authority to negotiate an increase of up to 15 percent or \$30,000, whichever is higher, on all incentives or bonuses. This authority applies the 15 percent limit to the change from the previous year’s contract to the first year of the renewed contract or between the previous incumbent’s final contract year in the position and the first year of the new contract. The \$30,000 maximum dollar amount allows for the addition of a bonus where none existed before or the enhancement of a very small bonus opportunity. Subsequent years’ increases will be no more than 5 percent per contract-year.**
- c. **Deferred Compensation – Authority to negotiate deferred compensation up to a total of no more than the equivalent of the first year’s guaranteed compensation.**
- d. **Camps – Authority to negotiate an increase of up to 30 percent over the percent of compensation received from camp income. This authority applies the 30 percent limit to the change from the previous year’s contract to the first year of the renewed contract or between the previous incumbent’s final contract year in the position and the first year of the new contract. In the case where the contract does not state a maximum, then the comparison is from the actual income attributed to the position during the preceding year. Subsequent years’ increases will be no more than 5 percent per contract-year.**
- e. **Benefits – Authority to offer the same systemwide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.**
- f. **Signing Bonus: Authority to offer a one-time signing bonus of no more than 33 percent of the first year’s guaranteed compensation.**
- g. **Other: Authority to negotiate providing courtesy vehicles (supplied by donors/contributors), including payments in lieu of a car to a maximum of \$5,400 or the imputed value of the car, whichever is higher, per contract-year; reimbursement of up to 100 percent of actual and reasonable moving expenses; reimbursement of actual and reasonable costs for up to 30 non-consecutive**


days of housing at the time of the move; and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.

Approval of delegation of authority under the defined parameters, above, for all men's and/or women's coaches and assistant coaches whose new potential total cash compensation exceeds the Indexed Compensation Level (ICL), currently set at \$295,000 per annum. The ICL is subject to annual adjustments based on the movement in the Consumer Price Index (CPI). This adjustment is consistent with the September 2008 Regents' item C8, "Compensation Approval Authority and Governance for those Positions Slotted in the Senior Leadership Compensation Group Salary Range Structure and Other Specified Employees," which authorized the annual adjustment of the ICL.

If the funding of a coach's contract comes from sources other than athletic department revenues, including athletic equipment supplier agreements, or private fundraising, this will require Regental review and approval. Any proposals exceeding the levels or parameters noted above would continue to require submission to and advance approval by The Regents. In addition, if the new contract includes exceptions to policy, except as noted above, advance approval by The Regents will be required.

The specific set of delegations will be reviewed by The Regents annually. A full reporting of all coaches whose total cash compensation exceeds the Indexed Compensation Level will be provided to The Regents in the Annual Report on Executive Compensation. In addition, any actions taken under this delegation by Chancellors will be reported to The Regents in the in-between meeting mailing in May and November. The Office of the President will be responsible for providing corresponding updated market and comparability data to The Regents as part of the annual reporting process.

Termination and liability clauses limiting the University's obligations will be used in all contracts. In all cases, if the final contract has not been signed by all parties prior to the commencement of the individual's first day of active employment, the campus will work with the Office of the General Counsel to ensure that appropriate language is used in conjunction with the memorandum of agreement (initial term sheet) that must then be signed by all parties before the individual can begin active employment. Each final contract will require review and signoff by the Office of the General Counsel.


Janet Napolitano
President

cc: Members, President's Cabinet
Universitywide Policy Office



OFFICE OF THE PRESIDENT

Robert C. Dynes
President

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June 4, 2008

CHANCELLORS

Delegation of Authority--Compensation Contracts for Coaches

At the meeting of July 19, 2007, The Regents approved specific and limited delegations of authority to the President, and further delegations from the President to the Chancellors, to negotiate and finalize compensation contracts for all men's and/or women's coaches and football offensive/defensive coordinators. Effective with The Regents' action of July 19, 2007, I hereby delegate authority to you as set forth below.

You are authorized to negotiate compensation contracts for coaches for reasons of:

- a. Preemptive or Active Retention – When the Chancellor or his/her designee needs to negotiate with an incumbent coach as a result of that coach receiving an expression of serious interest of employment from another entity, or an actual offer of employment from another entity.
- b. Replacement – When after the termination of a coach either by his/her own choice or by the department's choice, the Chancellor or his/her designee must immediately negotiate with candidates to replace the coach who is terminating.

With respect to the above-named circumstances, you are delegated authority to negotiate compensation as follows:

- a. Guaranteed Compensation – An increase of up to 30 percent on annual guaranteed compensation (defined as salary and talent fees). This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Guaranteed Compensation under the new and old contracts.
- b. Maximum Bonus – An increase of up to 15 percent on all incentives or bonuses. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Maximum Bonus under the new and old contracts.
- c. Deferred Compensation – An increase up to 15 percent on any deferred compensation. This authority applies the 15 percent limit to the overall cumulative total (before and after negotiation) for Deferred Compensation under the new and old contracts.

- d. Camps – An increase of up to 30 percent on compensation earned from camps. This authority applies the 30 percent limit to the overall cumulative total (before and after negotiation) for Camps income under the new and old contracts.
- e. Benefits – To offer the same systemwide benefits, including vacation, sick leave, disability, and standard University of California pension, health and welfare benefits under the programs and policies pertaining to all employees of the University.
- f. Other – To offer courtesy vehicles (supplied by donors/contributors) and non-cash compensation such as club memberships and other perquisites, consistent with standard practices.

Consistent with the above parameters, you are delegated authority to approve the appointment of all men's and/or women's coaches and football offensive/defensive coordinators whose new potential total cash compensation exceeds the Indexed Compensation Level, currently set at \$205,000 per annum.

You must report the actions described above to the Executive Director, Senior Management Compensation, upon completion of the individual action. Actions taken under this delegation of authority will be reported publicly at the next Regents' meeting in the same manner as Interim Authority actions.

The Regents annually will review this delegation of authority, along with a full reporting of all coaches for whom total cash compensation exceeds the Indexed Compensation Level. The President is responsible for providing corresponding updated market and comparability data to The Regents as part of the annual process.

Any proposals exceeding the levels or parameters noted above must be submitted to and approved in advance of hiring by The Regents. Any new coach's contract that proposes an arrangement that represents an exception to policy must be approved in advance by The Regents. In addition, if the contract is to be funded from sources other than athletic department revenues (including athletic equipment supplier agreements) or through private fundraising, the contract must be reviewed and approved by The Regents.

Each Chancellor must include in coaching contracts termination and liability clauses limiting the University's obligations. Each final contract must be reviewed and approved by the Office of the General Counsel.



Robert C. Dynes

cc: Members, President's Cabinet
General Counsel Robinson
Secretary and Chief of Staff Griffiths
Universitywide Policy Office