

**COMMITTEE ON COMPENSATION
July 2008**

**APPROVAL OF ACTION TAKEN EXCEEDING RECRUITING AND NEGOTIATION
PARAMETERS AND REPORT OF ACTION TAKEN WITHIN PARAMETERS IN THE
APPOINTMENT OF RICHARD NEUHEISEL HEAD FOOTBALL COACH, LOS
ANGELES CAMPUS**

RECOMMENDATION

The President recommended that the Committee on Compensation recommend to the Regents approval of the following items in connection with the appointment of Richard Neuheisel as Head Football Coach, Los Angeles campus. Also included is a report of the compensation elements of this appointment that were within approved negotiation thresholds.

- (1) Approval by the Regents is requested for the following additional items proposed during contract negotiations which exceeded the parameters:
 - (a) As an exception to policy, 100 percent reimbursement for reasonable relocation costs.
 - (b) Access for coach's immediate family to a suite at the Rose Bowl for all regular season games, to be used for donor relations by the coach and the Athletics Department. Appropriate taxation treatment of this issue will be executed by the campus.
 - (c) An annual maximum of up to \$100,000 which could be earned for services performed in conjunction with summer camps under a revenue-sharing arrangement determined at the sole discretion of the Director, Intercollegiate Athletics.

The following terms and conditions are within the recruiting and negotiation parameters approved by the Regents in December 2007:

(1) Contract Duration:

Five (5) years effective January 1, 2008 through December 31, 2012.

(2) Base Salary and Talent Fee:

- (a) The annual base salary is \$250,000.
- (b) The annual talent fee is \$1,000,000.

Activities associated with talent fees will include professional services in connection with various appearances and speaking engagements on television and radio broadcasts of UCLA football games and sports shows dedicated to UCLA sports, or for promotional or fundraising activities and for assignment of all rights of any kind to enter into professional, endorsement, or consultation

contracts with athletic shoe, athletic apparel, athletic equipment, and other sports manufacturers.

(3) Other Incentive Pay:

An annual maximum of up to \$500,000 could be earned for such accomplishments as academic achievement, PAC-10 performance, and participation in Bowl Championship Series.

(4) Other Elements of Compensation:

- (a) Per policy, eligible for standard Health and Welfare benefits.
- (b) Two courtesy vehicles to be provided by sponsors.
- (c) In accordance with University policies and regulations governing travel and subject to approval by the Director, Intercollegiate Athletics, the University will pay spouse travel for required events outside the Los Angeles area. Appropriate taxation treatment of this issue will be executed by the campus.
- (d) Eligible for participation in the Supplemental Housing Loan Program (SHLP) with a loan of up to \$1,500,000 fixed at 3% for the term of the Head Coach Agreement.

(e) Termination Clause:

Consistent with the recruiting and negotiation parameters, this contract contains a penalty clause for early termination by the coach. If the Coach terminates the agreement, he will owe UCLA \$1.5 million dollars in liquidated damages payable within 90 days of his acceptance of employment at a NCAA Division IA athletic program or any professional football team.

The University retains the right to terminate the contract for cause, at which point all compensation and other obligations will cease, and there will be no obligation by the University to “buy out” the remainder of the contract.

The University will retain the unilateral right to terminate the Employment Contract, without cause, at any time. In the event the University terminates the agreement without cause it shall be obligated to pay the head coach, as a liquidated damage, a portion of the remaining contract amount restricted to base salary payments only. The University shall not be liable for any University benefits which are not vested nor for any collateral business opportunities or other benefits associated with the candidate’s position as coach.

The compensation provided under these agreements will be paid from existing non-State fund sources, including already received ticket revenue.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

BACKGROUND

UCLA has successfully recruited Richard Neuheisel, who will serve as Head Football Coach.