

COMMITTEE ON COMPENSATION

CONTRACT COMPENSATION FOR JOHN SAVAGE AS HEAD MEN'S BASEBALL COACH, LOS ANGELES CAMPUS

The President recommended that the Committee on Compensation recommend to The Regents approval of the following compensation terms for Head Men's Baseball Coach, John Savage, Los Angeles campus, 100 percent time. Pending approval by The Regents of the compensation terms that exceed delegated authority, Mr. Savage's contract, currently effective July 1, 2007 through June 30, 2010, will be effective October 1, 2007 as indicated below.

The campus undertook negotiations with Coach Savage to amend his current contract to retain him in his current position on the Los Angeles campus.

The following terms and conditions are reflected in the new contract and require approval by The Regents for two reasons: 1) the proposal exceeds the 15 percent parameter for increasing the bonus opportunity for Coach Savage, and 2) the duration of the new contract results in exceeding delegated parameters:

- (1) This contract increases the opportunity to earn supplemental compensation from \$10,000, to a maximum of \$40,000 per annum, as detailed below:

A. Performance Bonuses: In the event that Coach Savage or the Baseball team, during the term of this Employment Contract, accomplishes the following, Coach Savage shall receive supplemental compensation during the contract year in which the accomplishment occurs as follows:

<u>Accomplishment</u>	<u>Bonus Amount</u>
Team wins a NCAA Regional game post-season	\$ 5,000
Team wins a NCAA Super-Regional game post-season	\$10,000
Team participates in the final game(s) of the College World Series	\$10,000
Team wins a national championship	\$15,000

Coach Savage is eligible to receive more than one bonus for a maximum cumulative bonus of \$40,000 for winning a national championship.

- (2) This contract has been extended to June 30, 2012. It is brought forward for Regental approval as the proposed increases in total income (detailed above and below), while less than 30% annually per year, exceed, over the duration of the extended contract, the parameters of authority previously delegated by the Regents to the Chancellor.

Additional elements of compensation include:

- Per delegated authority, the annual base salary is increased to \$185,000 by combining the previous base salary of \$95,000 and the previous talent fee of \$50,000 and increasing this total by \$40,000.
- Per delegated authority, the annual talent fee is eliminated.
- Per delegated authority and at the discretion of the UCLA Director of Athletics, eligible to receive \$70,000 annually for participating in summer camps; in 2006, Coach Savage earned \$63,000.
- Per delegated authority, the elements listed in this Item are included in a new contract that replaces and extends the current contract's length from July 1, 2007 – June 30, 2010 to October 1, 2007 – June 30, 2012.
- Per policy, eligible for standard Health & Welfare benefits.

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

The campus has successfully negotiated the proposed contract for Head Men's Baseball Coach, John Savage. His current contract is effective July 1, 2007 through June 30, 2010, with the replacement contract effective October 1, 2007 through June 30, 2012, pending approval by The Regents.

This contract reflects an appropriate adjustment in contract structure and remuneration both to assure fair treatment in the competitive marketplace and to support UCLA's retention objectives.

In July 2007, The Regents delegated authority to the Chancellors to negotiate contract changes for recruitment and retention of coaches within certain parameters.

Among other items, authority was granted to negotiate:

- (1) 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 overall cumulative total (before and after negotiation) for Guaranteed Compensation under the new and old contract, and
- (2) 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.

The new contract for Mr. Savage requires approval by The Regents for two reasons: 1) the proposal exceeds the 15 percent parameter for increasing the bonus opportunity for Coach Savage, and 2) the duration of the new contract results in exceeding delegated parameters.