

Working Group on Coaches/Athletic Director Compensation and Student-Athlete Academic Performance

**Report to the President
December 2014**

Background

At the September 2014 Board of Regents meeting, President Napolitano announced the establishment of a high-level working group to determine how UC can best align contracts for coaches and athletic directors with concrete metrics for student-athlete academic achievement. The President convened the working group in response to concerns about the academic performance of some University athletic teams. The working group consists of athletic directors from UCLA and Berkeley; faculty, including a representative of the Academic Senate; other representatives from across the UC campuses; and representatives from the offices of Human Resources, General Counsel, and Audit and Compliance. Since its formation, the group has assessed how UC can hold coaches accountable for the academic performance and conduct of the student-athletes on their teams, through either financial incentives or other means. The working group's process and recommendations are summarized below. The working group believes the recommended approaches ensure that the importance of student-athlete academic performance is reflected in the contracts of coaches and athletic directors and other personnel processes applicable to them. If the President approves the group's recommendations, it is anticipated that the recommendations will be presented to the Board of Regents at its January 2015 meeting.

Evaluation Process

The President's Working Group on Coaches/Athletic Director Compensation and Student-Athlete Academic Performance began by conducting a detailed review of all contracts for UC athletic coaches and athletic directors. This review included all UC campuses with the exclusion of UCSF, which does not have an intercollegiate athletic program. UC Berkeley, UC Davis, UC Irvine, UCLA, UC Riverside, and UC Santa Barbara all have NCAA Division I athletic programs. UC San Diego competes in both Division I and Division II athletics. UC Santa Cruz has a Division III program. UC Merced is not currently a NCAA member but its athletic program participates in the National Association of Intercollegiate Athletics (NAIA). The academic performance of student-athletes at the University of California, specifically for those student-athletes on Division I teams, was also evaluated. (See Attachment 2.)

School	Division	Conference
UC Berkeley	NCAA Division I	Pac-12 Conference
UC Davis	NCAA Division I	Big West Conference, Big Sky Conference, Mountain Pacific Sports Federation
UC Irvine	NCAA Division I	Big West Conference, Mountain Pacific Sports Federation
UCLA	NCAA Division I	Pac-12 Conference
UC Merced	National Association of Intercollegiate Athletics (NAIA)	California Pacific Conference
UC Riverside	NCAA Division I	Big West Conference
UC San Diego	NCAA Division II, NCAA Division I	Division II: California Collegiate Athletic Association Division I: Mountain Pacific Sports Federation
UC San Francisco	N/A	N/A
UC Santa Barbara	NCAA Division I	Big West Conference
UC Santa Cruz	NCAA Division III	Independent, Golden State Athletic Conference, Southern Collegiate Athletic Conference

The working group then reviewed a number of partial contracts for coaches at other Pac-12 schools, as well as publicly available information about coaching contracts for other Division I public universities. To better understand how comparable institutions align their coaches' contracts with student-athletes' academic performance and athletic department culture, the group also spoke with the athletic director's office at another Pac-12 school.

Finally, the working group evaluated existing UC policies, including both Presidential Policies and Personnel Policies for Staff Members (PPSM), to determine which policies should apply to athletic coaches and how that should be expressed in coaching contracts. It then examined how UC can implement systemwide changes to policies and contracts.

After surveying current practices within UC and other NCAA member institutions, the working group examined a myriad of options for changes in current policy and contracts. The group assessed whether measures should be adopted on a systemwide basis, whether campuses should tailor contracts and policies to their individual circumstances, or some combination of the two.

Recommendations

After carefully considering the options, the working group presents the following recommendations, to be applicable to new contracts and renewal contracts, for the President's consideration. These options are intended to be included in a coaching contract template being developed for use by campuses.

- **Performance Policies and Reviews:** Campuses shall include language in contracts for coaches and athletic directors stating that all general policies and regulations that apply to all University employees also apply to coaches. The contracts shall also identify a non-exhaustive list of such policies and regulations, including the University of California Policy on Sexual Harassment and Sexual Violence and the Whistleblower Policy, to highlight the applicability of these policies. In addition, the contracts shall identify those Personnel Policies for Staff Member (PPSM) that apply to the coach or athletic director. Contracts shall make clear that the coach or athletic director's supervisor must establish annual performance reviews, on the same basis as other Managers and Senior Professionals under the PPSM Program, and these reviews shall cover student-athlete academic performance, team athletic performance, student-athlete conduct, and compliance with the identified policies, as well as other appropriate topics.
- **Gatekeeper Clause:** Campuses shall include a gatekeeper clause in contracts that will establish a minimum level of academic performance that teams must maintain in order for coaches to be eligible to receive *any* – academic or athletic – performance incentive awards. For purposes of the gatekeeper clause, academic performance will be evaluated using the NCAA Academic Progress Rate (APR), a team-based metric that tracks the academic performance of each student-athlete each term. The APR works as follows: during each academic term, a student-athlete who receives athletics-related financial aid may earn two points toward his or her team's APR score – one based on staying academically eligible, and the other based on staying in school. For the eligibility category, if, at the end of an academic term, a student-athlete is academically eligible to compete in the following academic term, the student-athlete receives one point. For the retention category, if a student-athlete returns to school or graduates in the next academic term, the student-athlete receives one point. At the end of the academic year, the scores earned by all the student-athletes on a team are added together, divided by

the total number of points that team could have earned, and multiplied by 1,000. The resulting figure is the team's APR for the year. Traditionally, APR is reported as a four-year average.

Under the working group's recommendation, the threshold that coaches must meet to receive any performance incentive payments will be the NCAA-required level for post-season eligibility, which is currently set at a four-year average APR of 930. The gatekeeper threshold would adjust as the NCAA-required level of APR for post-season eligibility adjusts. Accordingly, under this system, unless a coach's team had a four-year average APR of 930, he or she would not receive any type of performance incentive payment provided in his or her contract, even if the coach satisfied the requirements for the other incentives.

The current UC Berkeley Head Football Coach's contract contains such a gatekeeper clause. In addition, the University of Maryland recently adopted a similar policy that requires contracts for Division I athletic directors or coaches that include incentive-based compensation to also include a provision that prohibits paying incentive-based compensation if the sport does not satisfy minimum annual APR levels at the time at which the incentive-based compensation would have otherwise been earned.

Because a coach may join a team that is currently below the eligibility threshold, a short corrective period suitable to the situation can be negotiated and, for that period, the annual APR may be used instead of the four-year standard. A corrective period will prevent new coaches from being held responsible for actions that occurred prior to their appointment and over which they had no influence. Thus, for example, if a coach joins a team with a four-year average APR below 930 (or the current level required by the NCAA for post-season eligibility), the school may adjust the gatekeeper provision to one that requires that, for the first three years of the coach's contract, the coach's team must have an annual APR of at least 930 for the coach to receive any incentive payments. Once the corrective period is over, the typical gatekeeper clause would go into effect.

- Incentives (for student-athlete academic performance and conduct): In addition to the use of the gatekeeper clause described above, which shall be required for all new contracts or contract renewals, campuses shall have the option to implement additional incentives based on metrics that measure student-athlete academic performance, such as the four-year average APR, annual APR, and the NCAA's team Graduation Success Rate (GSR).

In reaching this recommendation, a number of academic-based incentive options were considered. The table below outlines the various incentive structures the working group evaluated prior to making its recommendations.

Option One: Metrics without Team GPA

Establish incentive award(s) based on accomplishment of any of the following academic performance metrics:

- Traditional Team APR
- Real-time Team APR
- Team Graduation Success Rates (GSR)

Note: Traditional NCAA Team APR represents a four-year rolling average. “Real-Time” Team APR is defined as the UC APR calculated for the year including the most recent athletic season.

Option Two: Metrics with Team GPA

Establish incentive award(s) based on accomplishment of any of the following academic performance metrics:

- Traditional Team APR
- Real-time Team APR
- Team GSR
- Team GPA

Option Three: Improvement

Establish incentive award(s) based on positive improvement in student-athlete academic performance:

- Traditional Team APR + X% improvement
- Real-time Team APR + X% improvement
- Team GPA + X% improvement
- Team GSR + X% improvement

Option Four: Reach Goal

Identify a series of reach goals. These goals should be challenging but attainable for student-athletes. Establish a reward for achieving each reach goal over an academic season.

Option Five: Academic Attrition

Establish incentive award(s) based on the departure from, or delay in, successful completion of academic program requirements. Attrition includes those athletes who depart from the team for reasons other than graduation or discontinuation of athletic participation. Provide a reward for low rates of student-athlete attrition; provide greater rewards for lower attrition rates.

After considering the array of options, the working group selected Option One as the best way to allow campuses to tailor athletic contracts to encourage student-athlete academic performance. As such, campuses could provide incentive payments for achievement of these metrics, beyond satisfying the threshold requirement to obtain any incentive payments whether athletic- or academic-based. Campuses could use only one of these metrics, or employ several.

With respect to the specific metrics provided in Option One, each measures somewhat different aspects of academic performance over different time horizons, and thus encourages different types of performance, which is why one or another may be most effective depending on a team's particular circumstances. The traditional APR, as described above, assesses student-athlete academic eligibility and retention, over a four-year period. The inclusion of the annual APR is intended to provide a metric that reflects the most recent academic performance by student-athletes, and not only the academic performance of student-athletes over several years. By using this as an additional incentive, beyond the mandatory threshold requirement outlined above, campuses can more precisely encourage year-to-year academic performance. The Graduation Success Rate (GSR) is intended to show the proportion of student-athletes on a team that earn a college degree within six years of entering their original four-year institution. GSR differs slightly from traditional six-year graduation rates calculated by the federal government in that it attempts to account for the mobility of student-athletes. It takes into account incoming transfers or mid-year enrollees who join an athletic team as scholarship athletes and outgoing transfers who leave a team in good standing. Like the traditional APR, it is a four-year average. This would allow a campus to craft an incentive based specifically on graduation rates, instead of only on student progress. (The current traditional APR and GSR for teams at UC campuses is included in Attachment 2.)

Because of the various implications of these different metrics of student-athlete academic performance, the working group believes that campuses should have the discretion to choose the metric or metrics that will work best for the particular needs of an individual contract. This could work in several different ways. For instance, a campus could insert a contract provision that provides a coach a financial reward for obtaining an annual APR of 950. A coach whose student-athletes for the previous year obtained an annual APR of 953 and had a traditional APR of 927 would *not* qualify for the incentive payment. Even though that coach had satisfied the annual APR metric for an incentive award, he did not meet the threshold requirement and thus was not eligible for *any* incentives. By contrast, a coach with the same contract whose student-athletes for the previous year obtained an annual APR of 960 and a traditional APR of 952 would qualify for the incentive payment. In another example, a campus could insert a contract provision that provides a coach a financial reward for obtaining a GSR of 80. A coach whose student-athletes for the previous year obtained a GSR of 87 and an annual APR of 960 would receive the incentive payment.

The working group decided not to recommend Option Two because of campus concerns over GPA. They felt that focusing on this measure may produce unintended

consequences, such as pressure from coaches for student-athletes to enroll in less challenging academic degree programs or courses, and pressure for academic support units to ensure that student-athletes receive high enough grades.

The working group decided not to recommend Option Three for two reasons: 1) many of UC's athletic programs have impressive academic records and the action would not provide an adequate incentive for the coaches of those teams, and 2) improvement can be better accomplished by using the metrics contained in Option One. Option Three was dropped for similar reasons. Option Four, Academic Attrition, was excluded because retention is captured in the APR, while the focus on attrition alone may unduly punish coaches whose student-athletes become professional athletes before graduating or leave the team for non-academic reasons.

- Exemplary Team(s) of the Year Award: In order to recognize on a systemwide basis teams that excel in academics, student conduct, and/or public service, the University of California Office of the President shall create and fund an award(s) that will be given to a team, or several teams, with exemplary performance in these areas. Teams will be nominated by campus athletic directors. All award monies shall go to the program(s) of the winning team(s). Winners would be recognized at a Board of Regents meeting.
- Process Changes: The working group recommends that the Regents delegate responsibility to the President to approve all coach and athletic director compensation and terms of employment for total potential compensation above the Indexed Compensation Level (ICL). The working group further recommends that the President may delegate authority to the Chancellors for hiring and compensation actions that are effectively within policy, consistent with contract template language, and below a certain total cash threshold. In the working group's view, these changes will improve the governance and accountability of intercollegiate athletics, better serving campuses and University of California student-athletes. The proposed action is also consistent with national best practices and recommendations of the Association of Governing Boards (AGB) and the National Collegiate Athletic Association (NCAA).
- Structural changes: The working group recommends establishing a direct line of reporting between the athletic director and the Chancellor, consistent with the recommendations in the Chancellor's Task Force on Academics & Athletics' report from UC Berkeley. This will change the lines of reporting at campuses where athletic directors do not report directly to chancellors, specifically, UC Berkeley, UC Merced, UC San Diego, and UC Santa Cruz.

President's Work Group on Coaches/Athletic Director Compensation & Student-Athlete Academic Performance

Members:

- Michael Williams, Athletic Director, Berkeley
- Dan Guerrero, Athletic Director, UCLA
- Scott Carrell, Professor of Economics; Faculty Athletics Representative, Davis
- Bob Jacobsen, Professor of Physics; Dean of Undergraduate Studies, College of Letters & Science; Faculty Athletics Representative, Berkeley
- Ramona Agrela, Associate Chancellor, Irvine
- Seth Grossman, Chief of Staff, Office of the President (Co-Chair)
- Sheryl Vacca, Senior Vice President and Chief Ethics and Compliance Officer
- Allison Woodall, Deputy General Counsel, Labor, Employment & Benefits, Office of the President
- Dwaine Duckett, Vice President, Human Resources, Office of the President (Co-Chair)
- Dennis Larsen, Executive Director, Compensation Programs & Strategy, Office of the President