

Office of the President

TO MEMBERS OF THE COMMITTEE ON COMPENSATION:

ACTION ITEM

For Meeting of January 21, 2016

APPROVAL OF CONTRACT COMPENSATION USING NON-STATE FUNDS FOR CORI CLOSE AS HEAD WOMEN'S BASKETBALL COACH, INTERCOLLEGIATE ATHLETICS, LOS ANGELES CAMPUS AS DISCUSSED IN CLOSED SESSION

EXECUTIVE SUMMARY

Approval is requested of the funding source used for the contract compensation for Cori Close, Head Women's Basketball Coach, Intercollegiate Athletics, Los Angeles campus, retroactive to April 21, 2011. The campus recently learned that the funding source for Coach Close's position changed from Intercollegiate Athletics department revenues to UCLA Student Services Fee revenue retroactive to Coach Close's initial appointment date. Accordingly, retroactive Regental approval is now being sought for the use of the Student Services Fee to fund Coach Close's contract.

Coach Close's initial contract from April 21, 2011 to June 30, 2016 was approved by Chancellor Block on April 27, 2011, and was within the contract compensation parameters authorized by the Regents on April 26, 2011. In October 2013, in order to retain Coach Close, the campus renewed her contract and negotiated new terms effective October 21, 2013 through April 30, 2018. These actions were within the Chancellor's authority and were reported to the Office of the President and to the Regents in accordance with applicable procedures.

Retroactive approval by the Regents is now requested in order to comply with a provision in the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (the September 2008 Parameters), which states, "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."

Originally, Coach Close's contract was paid from Intercollegiate Athletics department revenues; thus, Regents' approval was not required. However, the campus recently learned that in 2012, the fund source was changed to Student Services Fee revenue, retroactive to the initial appointment date of Coach Close. Intercollegiate Athletics has historically allocated revenue generated through the Student Services Fee to women's Olympic sports, so this change in fund source for Coach Close's compensation was not deemed to be an exception at that time and was viewed as

an appropriate fund source within the department's sources of revenue. The potential to use this fund source to support Intercollegiate Athletic Programs is noted in the Guidelines issued to Chancellors by former President Yudof on July 22, 2010, regarding use of the Student Services Fee allocations, following Regents' approval in May 2010 of revisions to the University of California Student Fee Policy. The Guidelines provide that although the primary focus of Student Services Fee revenue should not be on areas such as Intercollegiate Athletic Programs, some use of this fund source is not precluded. Additionally, use of these funds or funding shifts of programs to the Student Services Fee may be made in consultation with the campus Student Fee Advisory Committee.

Nevertheless, because of the September 2008 Parameters, Regental approval is needed to allow retroactive use of Student Services Fee revenue to fund Coach Close's contract. All other terms of Coach Close's contract compensation are within the contract compensation parameters authorized by the Regents for this position and therefore do not require Regents' approval at the current time.

Coach Close's compensation is within the lower 42nd percentile (rank seven of 12) of the PAC-12 schools, based on her guaranteed compensation (base salary and talent fee). In addition, she is within the lower eighth percentile for maximum bonus/incentive potential. This assumes that Stanford and the University of Southern California, which do not report their compensation data, pay higher compensation than UCLA.

RECOMMENDATION

The Committee recommends approval of the following item in connection with the contract compensation for Cori Close as Head Women's Basketball Coach, Intercollegiate Athletics, Los Angeles campus:

As an exception to the Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide (September 2008 Parameters), retroactive approval of the funding source for this position as the UCLA Student Services Fee, effective April 21, 2011. The September 2008 Parameters require Regental approval when the funding for a coach's contract comes from sources other than athletic department revenues (including athletic equipment supplier agreements) or private fundraising.

The compensation described above shall constitute the University's total commitment for the element of compensation addressed above until modified by the Regents, the President, or the Chancellor, as applicable under Regents policy, and shall supersede all previous oral and written commitments. Compensation recommendations and final actions will be released to the public as required in accordance with the standard procedures of the Board of Regents.

Submitted by: President Napolitano
Reviewed by: Committee on Compensation Chair Reiss
Office of the President, Human Resources