

Office of the President

TO MEMBERS OF THE GOVERNANCE COMMITTEE:

## ACTION ITEM

*For Meeting of July 20, 2021*

**APPROVAL OF CONTRACT COMPENSATION FOR JIM KNOWLTON AS DIRECTOR OF ATHLETICS, BERKELEY CAMPUS AS DISCUSSED IN CLOSED SESSION**

### **EXECUTIVE SUMMARY**

The President of the University recommends approval for certain elements of contract compensation for an eight-year term for current UC Berkeley Director of Athletics, Jim Knowlton, effective from May 21, 2021 through May 20, 2029.

This action requires Regental approval as certain contract terms regarding guaranteed compensation and deferred compensation, which are needed to retain Mr. Knowlton, exceed the criteria in the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters). All other elements of compensation and contract terms are within the September 2008 Parameters.

Funding for this position will come from Athletic Department revenues and/or private fundraising. No State funds will be used.

### **RECOMMENDATION**

The Committee recommends to the Regents approval of the following items in connection with the contract compensation for Jim Knowlton as Director of Athletics, Berkeley campus:

- A. For the first contract year, annual guaranteed compensation of \$925,000, comprised of \$300,000 in base salary and \$625,000 in talent fee. Additionally, for each subsequent contract year, annual guaranteed compensation of \$950,000, comprised of \$300,000 in base salary and \$650,000 in talent fee. This exceeds the *Amendment of Regents' Delegation of Authority for Recruiting and Negotiation Parameters for Certain Athletic Positions and Coaches, Systemwide* (September 2008 Parameters) because the proposed annual guaranteed compensation of \$925,000 in year one is more than 30 percent over the annual guaranteed compensation of \$670,000 in the previous year's contract. In addition, the overall cumulative total guaranteed compensation of \$7,575,000 in the

proposed contract is more than 30 percent over the previous contract's overall cumulative total guaranteed compensation of \$2,010,000, with the duration of the contracts adjusted so that a change in contract duration does not affect the comparison.

- B. Provide deferred compensation in the form of annual retention bonus payments totaling \$2.2 million. This exceeds the September 2008 Parameters because the total deferred compensation in the form of retention bonus payments over the life of the contract is more than the equivalent of the first year's guaranteed compensation.

The retention payment will be paid following the last day of each contract year. The deferred compensation for each contract year is presented in the chart below:

Contract Year	Annual Retention Payment
Year 1 (5/21/21-5/20/22)	\$100K
Year 2 (5/21/22-5/20/23)	\$150K
Year 3 (5/21/23-5/20/24)	\$200K
Year 4 (5/21/24-5/20/25)	\$250K
Year 5 (5/21/25-5/20/26)	\$300K
Year 6 (5/21/26-5/20/27)	\$350K
Year 7 (5/21/27-5/20/28)	\$400K
Year 8 (5/21/27-5/20/29)	\$450K

- C. This contract will be effective from May 21, 2021 through May 20, 2029.

The compensation described above shall constitute the University's total commitment for the elements 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.