

EXECUTIVE SUMMARY

ACTION ITEM: Head Women's Basketball Coach Multiple-Year Employment Contract

ISSUE: Arizona State University (ASU) requests approval of a multiple-year employment contract for Charli Turner Thorne as Head Women's Basketball Coach from the execution of the contract through April 15, 2012, pursuant to ABOR policies 6-1001 through 6-1003.

BACKGROUND:

- Coach Charli Turner Thorne (Coach) has served as ASU's Women's Basketball head coach since September of 1996.
- In January of 1999, ABOR approved an extension of Coach's contract through April 15, 2003. In June of 2001, ABOR approved an extension through April 15, 2006. In February, 2006, ABOR approved an extension through April 15, 2011.
- In recognition of Coach's accomplishments, ASU desires to extend Coach's contract through April 15, 2012.
- Coach's current annual salary is \$275,000.
- Coach's salary is paid entirely from revenue generated by the Intercollegiate Athletic Department. No part of the salary is paid from appropriated funds.
- Coach has just completed her eleventh season at ASU.
- Coach holds a 203-134 win-loss record in her eleven seasons at ASU. Since 2004-2005, Coach has had 80 wins and 22 losses (.784).
- Coach Thorne is the all-time leader in coaching victories in ASU women's basketball history and is the winningest coach in Sun Devil history.
- Coach Thorne has led ASU to a school-record eight consecutive postseason appearances. This includes five NCAA appearances in the past seven seasons. In 2007, the team was in the Elite Eight in the NCAA Division I Women's Basketball Tournament. The Elite Eight achievement is a first in ASU history.

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- Eight members of the women's basketball team made the PAC-10 Academic All-American Team.

TERMS:

- The period of the appointment will be from the date the multiple-year contract is executed through April 15, 2012.
- Coach's salary will remain at its current level of \$275,000 through June 30, 2007. This consists of \$235,000 of base salary and \$40,000 of additional salary.
- Effective July 1, 2007, Coach's salary will be increased to \$400,000 per year, consisting of \$350,000 base salary and \$50,000 additional salary. This salary increase is in lieu of any performance criteria salary increase under Coach's existing contract. Coach's salary will be for basic duties relating specifically to coaching and for additional duties consisting of participation in media programs, development activities, public relations activities and endorsements, and other promotional activities.
- Effective July 1, 2008, Coach will receive an increase in additional salary from \$50,000 to \$100,000.
- The salary will be increased for the year commencing July 1, 2008, and on each July 1 thereafter, in percentage increments depending on achievement of the following performance milestones. If no milestones are achieved, the Vice President for University Athletics may give Coach a percentage increase up to, but not exceeding, the increase of service professional employees during the year.

Performance Criteria

Salary Increase

NCAA Tournament Sweet Sixteen Appearance	5%
NCAA Tournament Elite Eight Appearance	6%
NCAA Tournament Final Four Appearance	8%
NCAA Tournament Championship	10%

- Coach may receive but is not assured Special Compensation annually. Special Compensation is all amounts designated as being for Coach in agreements negotiated by ASU with manufacturers, retailers, wholesalers, vendors and others relating to use and promotion of athletic equipment, athletic clothing, athletic shoes and other athletic apparel. However, there is a limit on Special Compensation under any and all athletic program shoe and apparel agreements, as to which Coach will receive the amount designated in the

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agreements for Coach, less \$25,000. An amount of \$25,000 for Coach's promotional and endorsement activities in connection with athletic program shoe and apparel agreements is included in Coach's salary.

- Coach may receive Supplemental Compensation annually. Supplemental Compensation consists of one-time payments for performance in a particular year. The percentages are applied to salary.

(1) Academic Performance

<u>Compensation</u>	<u>Academic Year GPA</u> (Fall/Spring semesters)	OR	<u>Graduation Rate</u> (NCAA 4-year rolling rate)
\$20,000	2.8	OR	75%
\$22,500	2.9	OR	80%
\$25,000	3.0	OR	85%

(2) Athletic Performance

Note: There will be only one payment under each heading and the payment will be the highest percentage.

- (a) Five percent of salary for winning the Pac-10 Conference championship.

- (b) A single payout for the highest achievement in post-season competition:

NCAA two games	\$10,000
NCAA three games	\$25,000
NCAA four games	\$35,000
NCAA five games	\$50,000
NCAA national championship	\$65,000

- (c) For accolades as coach:

District Coach of the Year or Pac-10 Coach of the Year	2% of salary
National Coach of the Year	5% of salary

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- Coach may also receive retention bonuses for staying through certain dates. If Coach stays as Head Women's Basketball Coach through April 15, 2011, Coach will receive a bonus for staying for the 2010 to 2011 basketball season of \$240,000. In addition, if Coach stays as Head Coach through April 15, 2012, Coach will receive a bonus for staying for the 2011 to 2012 basketball season of \$160,000. If for any reason Coach's contract is terminated before one or both of those dates, Coach will not receive the respective bonus(es).
- Coach will receive customary employee-related benefits that are normally available to other ASU service professional employees. Coach will receive additional benefits consisting of tickets to ASU sporting events, use of one automobile or a stipend and golf privileges at the ASU Karsten Golf Course.
- Coach will have the right to use ASU facilities to conduct a summer camp. Coach will pay ASU for use of the facilities. Coach will own all rights to the camp and be solely responsible for payment of all camp expenses.
- Coach may enter into personal service agreements with other parties to provide services not reserved to ASU within the contract so long as such services can be performed within NCAA and ABOR limits. Coach must obtain prior approval of the ASU President for athletically related income and benefits from sources outside ASU. A copy of the ASU President's approval will be sent to the Board President and the ASU Vice President for University Athletics.
- Coach must submit annually a report of all outside sources of athletically related income and benefits, which will be provided to the Board President, the ASU President and the ASU Vice President for University Athletics.
- The contract may be terminated by the ASU President, or his designated representative, for cause, in which case ASU will be liable only for salary and other compensation earned as of the termination date. If the contract is terminated by ASU for cause and the cause is one or more material violations of NCAA or Pac-10 Conference rules, there will be a provision for Coach to pay to ASU its actual damages up to \$100,000 resulting from the violations.
- ASU may terminate the contract at any time without cause. In that event, ASU will pay Coach as liquidated damages 100% of the then per annum salary for the remainder of the contract term. This sum is not reduced in the event of Coach's subsequent employment during the term of the contract. ASU will also pay Coach any salary, Special Compensation, and Supplemental Compensation amounts earned through the termination date and reasonably incurred expenses toward the next camp. ASU will not be liable to Coach for other university benefits or collateral business opportunities.

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- If Coach terminates the contract early and takes another NCAA Division I intercollegiate coaching position or a professional coaching position, ASU may require Coach to pay to ASU up to the following amounts at the sole discretion of the ASU President: if Coach terminates on or before April 15, 2011, an amount equal to 12 months of Coach's then existing salary; or if Coach terminates after April 15, 2011 but before April 15, 2012, an amount equal to 100% of what remains to be paid to Coach through April 15, 2012.
- Coach may not accept from any third party anything of economic value in excess of \$250 as a gift, gratuity, favor, or entertainment without the prior approval of the Vice President for University Athletics.
- ASU and Coach agree to review the terms and conditions of Coach's contract after the 2008 -2009 season.

RECOMMENDATION:

RESOLVED: That Arizona State University be, and hereby is, authorized to enter into a multiple-year employment contract with Charli Turner Thorne according to the terms and conditions set forth in this executive summary.