

EXECUTIVE SUMMARY

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

ISSUE: Arizona State University (ASU) requests approval of a multiple-year employment contract for Melissa Luellen as Head Women's Golf Coach, for the period from the execution of the contract through June 30, 2008, pursuant to ABOR policies 6-1001 through 6-1003.

BACKGROUND:

- Coach Luellen (Coach) has served as ASU's women's golf head coach since July 31, 2002. She was originally hired under a one-year contract.
- In November of 2002, the Arizona Board of Regents approved an extension of Coach Luellen's contract through June 30, 2005.
- In recognition of Coach's accomplishments, ASU desires to extend his contract through June 30, 2008
- Coach's current annual salary is \$77,175, and it will remain the same under the multiple-year contract.
- Coach's salary will be paid entirely from revenue generated by the Intercollegiate Athletic Department. No part of the salary will be paid from appropriated funds.
- Coach led the women's golf team to its first tournament victory in four years, winning the 2004 *Price's Give 'Em Five Intercollegiate* this October.
- Coach has guided her team to NCAA Championship appearances in each of Coach's first two seasons, continuing ASU's streak of 13 straight postseason appearances (third longest streak in the nation).
- In 2003-2004, ASU finished 10th at the NCAA Championship, the team's first top 10 national showing in her tenure.
- ASU has turned in 15 top 10 finishes at tournaments in Coach's two-plus seasons.

CONTACT: Eugene D. Smith (480) 965-6360 Eugene.Smith@asu.edu
Paul J. Ward (480) 965-4550 Paul.Ward@asu.edu

EXECUTIVE SUMMARY

TERMS:

- The period of the appointment will be from the date the multiple-year contract is executed through June 30, 2008.
- Coach's salary will be \$77,175 per year, consisting of \$76,175 base salary and \$1,000 additional salary. This 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

The salary will be increased for the year commencing July 1, 2005, and on each July 1 thereafter in percentage increments depending on achievement of the following performance milestones. If no milestones are achieved, the Director of Intercollegiate Athletics may give Coach a percentage increase up to but not exceeding the increase of service professional employees during the year.

<u>Performance Criteria</u>	<u>Salary Increase</u>
NCAA national championship tournament champion	10%
NCAA national championship tournament top five	8%
NCAA national championship tournament appearance	5%

- 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 agreements for Coach, less \$1,000. An amount of \$1,000 for Coach's promotional and endorsement activities in connection with athletic program shoe and apparel agreements is included in 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.

EXECUTIVE SUMMARY

(1) Academic Performance

<u>Compensation</u>	<u>Academic Year GPA</u> (Fall/Spring semesters)		<u>Graduation Rate</u> (NCAA 4-year rolling rate)
10% of salary	3.50	OR	100%
8% of salary	3.45	OR	95%
6% of salary	3.40	OR	90%
5% of salary	3.35	OR	85%
4% of salary	3.30	OR	80%

(2) Golf Team Performance

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

- NCAA National Tournament
 - NCAA national championship tournament champion 15%
 - NCAA national championship tournament top five 10%
 - NCAA national championship tournament appearance 8%
 - NCAA regional tournament appearance 5%
 - Pacific 10 Conference Final Team Ranking
 - Champion 4%
 - Second or third 2%
 - Pacific 10 Conference Coach of the Year 4%
 - National Coach of the Year 4%
 - 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.

EXECUTIVE SUMMARY

- 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 Director of Intercollegiate 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 Director of Intercollegiate 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 by the softball program 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.
- If Coach terminates the contract early and takes another NCAA Division I intercollegiate coaching position or a professional coaching position, Coach will pay ASU 100% of the amount of salary for the remaining term of the contract.
- If Coach terminates the contract, Coach may not obtain employment as head coach with any PAC-10 Conference school for the time period remaining under the contract.
- 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 ASU Director of Intercollegiate Athletics.

RECOMMENDATION:

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