

EXECUTIVE SUMMARY

ACTION ITEM: APPROVAL OF NOTICE OF REAPPOINTMENT AND MULTIPLE-YEAR EMPLOYMENT CONTRACT FOR DR. MICHAEL CROW AS PRESIDENT OF ARIZONA STATE UNIVERSITY FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2012.

ISSUE: The Board is asked to authorize the renewal of Dr. Michael Crow's appointment and a multiple-year employment contract as President of Arizona State University for the period July 1, 2007 through June 30, 2012.

BACKGROUND:

- In July 1995, the Board adopted policies 6-1101 and 6-1102 authorizing the Board to enter multiple-year employment contracts with the university presidents and the Board's executive director.
- Dr. Crow has served as President of Arizona State University since July 1, 2002. His current appointment term, as approved by ABOR at the June 2005 Board meeting, is the period July 1, 2005, through June 30, 2008. The contract proposed in this request would replace the previous contract.
- The Board desires to enter a new Multiple-Year Employment with Dr. Crow, in accordance with ABOR Policies 6-1101 and 6-1102, to become effective July 1, 2007, on the following terms:
 - Contract term July 1, 2007 through June 30, 2012.
 - ABOR Policy 6-1101 defines "Multiple-Year Appointment" to be an appointment to a position for a period of more than 1 year but not more than 3 years.
 - The proposed term would require an exception to Policy 6-1101 to permit a 5-year term.
 - Dr. Crow will retain his tenured faculty appointment as a professor of Public Programs at ASU.
 - Annual salary of \$475,000.
 - Annual housing allowance of \$50,000.
 - Participation in a cash balance defined pension plan at \$85,500 (18% of base annual salary).
 - Annual car allowance of \$10,000.
 - Access to university transportation services provided by ASU to senior administrators for business purposes.

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- Same employment-related benefits as all other ASU administrators, including but not limited to medical benefits, sick leave, vacation leave and retirement options.
- The contract will include provisions relating to termination of employment, including payment of liquidated damages, and will incorporate provisions regarding annual performance assessment and compensation review.
- The contract includes a provision requiring an annual disclosure to the Board describing all organizations with which Dr. Crow is affiliated and any compensation associated with those affiliations.
- By separate agreement to be approved and executed by the President of the Board in consultation with the Board, Dr. Crow will be eligible to receive a payment for performance incentives. The current performance incentive agreement, approved by the Board in April 2007, remains in effect through June 30, 2008.
- In addition to the compensation provided through public fund resources, the Arizona State University Foundation will provide resources to Arizona State University to:
 - Provide supplemental compensation of \$50,000, a portion of which will be used to provide life insurance coverage.
 - Provide and maintain a security system for Dr. Crow's personal residence.
 - Establish an endowed chair, the President's Leadership Chair, to which Dr. Crow will be appointed with annual compensation to begin at \$25,000 on July 1, 2007, to increase to \$50,000 for each July 1 through July 1, 2011, and a retention bonus of \$600,000 to be paid on or about July 1, 2012 if Dr. Crow remains president of Arizona State University through June 30, 2012.

RECOMMENDATION:

It is recommended that the Board authorize the renewal of Dr. Michael Crow's appointment and a multiple-year employment contract as President of Arizona State University for the period July 1, 2007, through June 30, 2012, as described above.