

# BOARD OF REGENTS

## BRIEFING PAPER

- 1. Agenda Item Title:** Handbook Revisions – Presidential Approval of Athletics Director and Head Athletic Coach Employment Contracts
- Meeting Date:** June 2<sup>nd</sup> meeting of the *ad hoc* Committee on Athletics

### **2. BACKGROUND & POLICY CONTEXT OF ISSUE:**

Current Board policy requires that employment contracts for (1) athletic directors, (2) head football coaches, (3) men’s and women’s head basketball coaches, and (4) any other head athletic coach contract that exceeds 36 months or \$1.2 million in total compensation, must be approved by the Board of Regents. The attached Policy Proposals would amend various sections of the Handbook to authorize institution presidents to approve *all* employment contracts for athletics directors and head athletic coaches. The attached Policy Proposals also centralize in one place (Title 4, Chapter 24, Section 1, Subsection 10) various policies governing athletic directors and head athletic coaches that are currently spread throughout the Handbook.

Changes being proposed include the following:

1. Revisions to the Board of Regents Bylaws (Title 1, Article VII, Section 4 – Presidents) expressly adding to the duties of institution presidents the obligation to provide oversight and management of the institution’s intercollegiate athletics programs (the “**Bylaw Revisions**”).
2. Revisions to the NSHE Code (Title 2, Chapter 5, Section 5.4) eliminating certain restrictions on the ability and authority of institution presidents to approve employment contracts for athletic director and head athletic coaches (the “**Code Revisions**”).
3. Revisions to Title 4, Chapter 24 (NSHE Intercollegiate Athletics) adding a new Subsection 10 (Athletic Directors and Coaches) that (a) authorizes institution presidents to approve and execute all employment contracts for athletic directors and head athletic coaches, and (b) centralizes various existing policies governing athletic directors and head athletic coaches that are currently found in other areas of the Handbook (the “**Athletic Revisions**”).

Under these Policy Proposals – institution presidents are authorized to execute all employment contracts for athletic directors and head athletic coaches including all business terms related to compensation. At the time such a contract is executed, the institution president must provide certain written certifications to the Chancellor and the Chief of Staff of the Board of Regents related to the contract – including (a) that the financial terms are reasonable in the context of the market for the position and the appointee’s professional reputation and expertise, (b) that the institution has, or reasonably expects to have, the funds necessary to pay all sums that may become owed under the contract, and (c) that the institution has completed a reasonable background investigation on the appointee. The institution president is also required to use any Contract Template, Checklist and Guidelines that have been approved by the Board and that is applicable to the appointee, and must provide a written explanation of any variations from the approved Contract Template. In addition, the Policy Proposals make clear that the institution president will be held responsible for all employment contracts and other actions related to athletic director and head athletic coaches as part of his or her duty to provide oversight and management of all intercollegiate athletic programs.

The Policy Proposals also require institutions to provide an annual statement (certified by the president) describing the methods by which the institution achieves a balanced athletic department budget – including the disclosure of any reliance on funds from outside the athletic department (like student fees and gifts from boosters etc.). If the athletic department budget is not self-sustaining, the annual statement shall include a plan for achieving a self-sustaining athletic budget.

### **3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:**

Amendments to the Board of Regent Bylaws and the NSHE Code require action at two meetings in order to take effect. Therefore, these Policy Proposals are presented to the *ad hoc* Committee on Athletics for

information only and as a first reading. These Policy Proposals will be presented for action at the September 8-9, 2016 Board of Regents Meeting. The *ad hoc* Committee on Athletics may provide comments and general direction to System and institution staff regarding these Policy Proposals which will be taken into account prior to the Board taking action on these items at the September 8-9 Board of Regents Meeting.

**4. IMPETUS (WHY NOW?):**

- Recently the *ad hoc* Committee on Athletics and the full Board of Regents approved a Contract Template, Checklist and Guidelines for football and basketball head athletic coaches and those documents were added to the Procedures and Guidelines Manual for use by the institutions.
- The Board also recently approved several new or amended head athletic coach employment contracts - Coach Beard, Coach Menzies and Coach Musselman.
- Now is an opportune time to consider amending existing Board policy regarding the process for approval and execution of athletic director and head athletic coach employment contracts.
- Some believe that the Board should delegate authority to the institution presidents to execute all athletic director and head athletic coach employment contracts.

**5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

- Some believe that the Board should delegate authority to the institution presidents to execute all athletic director and head athletic coach employment contracts.

**6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:**

- Some believe that current Board policy requiring Board approval of all athletic director, football and basketball head athletic coach, and certain other head athletic coach employment contracts, should remain and provides an appropriate and necessary level of oversight of institution athletic programs.

**7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:**

- That the Board not revise current Board policies related to the process and authority for the execution of athletic director and head athletic coach employment contracts.
- That the *ad hoc* Committee on Athletics and full Board provide specific direction to System staff regarding amendments to current Board policies related to the process for approval and execution of athletic director and head athletic coach employment contracts as its deems necessary.

**8. COMPLIANCE WITH BOARD POLICY:**

- Consistent With Current Board Policy: Title #\_\_\_\_ Chapter #\_\_\_\_ Section #\_\_\_\_
- Proposes amendments to Current Board Policy: Title 1, Article VII, Section 4, Title 2, Chapter 5, Section 5.4, and Title 4, Chapter 24, Section 1 – which will be presented for action at the September 8-9, 2016 Board of Regents Meeting.
- Amends Current Procedures & Guidelines Manual: Chapter #\_\_\_\_ Section #\_\_\_\_
- Other: \_\_\_\_\_
- Fiscal Impact: Yes\_\_\_\_ No\_\_\_\_  
Explain: \_\_\_\_\_