

EXECUTIVE SUMMARY

Item Name: Second Amended Multiple-Year Employment Agreement for Women’s Basketball Head Coach (UArizona)

Action Item

Requested Action: The University of Arizona (UArizona) asks the board to approve the Second Amended Multiple-Year Employment Agreement for Women’s Basketball Head Coach Adia Barnes, as described in this executive summary.

Background/History of Previous Board Action

- UArizona seeks review and recommendation to forward to the board for approval a Second Amended Multiple-year Employment Agreement (“Second Amended Agreement”) for Women’s Basketball Head Coach Adia Barnes (“Barnes”) through the period ending April 30, 2026. This request is supplementary to the request made by UArizona in April 2021 for approval of a Second Amended Agreement due to an amendment to the salary terms agreed to between Barnes and UArizona.
- In October 2019, following board approval, UArizona entered into a First Amended Multiple-year Employment Agreement (“First Amended Agreement”) with Barnes with a base annual salary of \$407,500. Under the First Amended Agreement, Barnes also received annual and escalating retention bonuses. If she remained employed for the duration of the First Amended Agreement, the aggregate value of the retention bonuses was \$250,000.
- In March 2021, and pursuant to ABOR policy, UArizona negotiated the terms of an extension to the First Amended Agreement with Barnes. On April 1, 2021, the Finance, Capital and Resources Committee reviewed and approved UArizona's request to enter into a Second Amended Agreement with Barnes that ran through April 2026 (a two-year extension of the First Amended Agreement) with annual base salary rates as follows:
 - Year 1 - \$580,000
 - Year 2 - \$620,000
 - Year 3 - \$650,000
 - Year 4 - \$725,000
 - Year 5 - \$770,000
- The full Board approved the extension on April 15, 2021.

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- After UArizona completed extension negotiations with Barnes in March 2021 for the above-listed base salary amounts and submitted its Executive Summary regarding the extension to the Committee, the Women's Basketball Team then went on a historic and exhilarating run in the 2021 NCAA Tournament, during which the Team made its first Elite Eight appearance, first Final Four appearance, and first National Championship game appearance. The Team's run through the NCAA Tournament, which included a convincing win over No. 1 seed UConn in the National Semifinal and a 1-point loss in the National Championship game, captivated and inspired not only the UArizona community, but the entire state of Arizona and much of the nation and the sporting world.
- The Team's success in the 2021 NCAA Tournament resulted in unprecedented – and well deserved – exposure for the Women's Basketball Program and Barnes. The Team's skill, dedication, and tenacious attitude, and Barnes' coaching acumen, leadership, and passion became the story of the Tournament. The post-season achievements of the team served to further solidify Barnes' and the Program's meteoric rise into the elite level of women's college basketball.
- UArizona is seeking approval to increase only the annual base salary amounts (as well as a correlated modification of the amounts Barnes would owe to the University if she terminated the Agreement early), in recognition of and based on the Team's performance during the NCAA Tournament and the fact that Barnes' success, passion, and coaching style has attracted the attention of other programs around the country. This modification of financial terms demonstrates Barnes' and UArizona's commitment to each other and commitment to the success of the Women's Basketball Program.
- Aside from the new terms related to salary and liquidated damages highlighted below, all other terms and conditions in the Second Amended Agreement previously approved by the Board in April 2021 will remain the same.
- Based on due diligence, UArizona is not aware of any issues negatively affecting Barnes' employability, including but not limited to NCAA violations, claims or litigation related to her prior employment as an assistant coach, allegations of wrongdoing, or significant press controversies.

Discussion**Contract Duties, Length, and Compensation/Salary Adjustments**

- **NEW TERMS** - Barnes' proposed amended base annual salary for 2021-2022 will be \$1,000,000, and will increase incrementally over the five-year term as follows:

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- Year 2 - \$1,100,000
 - Year 3 - \$1,200,000
 - Year 4 - \$1,250,000
 - Year 5 - \$1,300,000
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- **NEW TERMS** - The Second Amended Multiple-year Employment Agreement may be terminated by Barnes without cause. In that event, Barnes will pay to UArizona liquidated damages based on the time remaining in the Agreement, calculated as follows: \$3,000,000 if terminated in Year 1; \$3,000,000 if terminated in Year 2; \$700,000 if terminated in Year 3; \$300,000 if terminated in Year 4; \$0 if terminated in Year 5.
 - The proposed Second Amended Multiple-year Employment Agreement term will be five years, ending on April 30, 2026. Barnes' current contract is through April 30, 2024.
 - Barnes' programs duties will be those customarily associated with the head coach of a Division I women's basketball program. These include, among other responsibilities, overseeing all aspects of the program, supervising the coaches and other employees, and coaching the student-athletes, athletically and academically, all in accordance with applicable UArizona, ABOR, Pac-12, and NCAA policies, rules, and regulations.
 - The escalating retention bonuses in the current contract are eliminated in the Second Amended Multiple-year Employment Agreement.
 - Barnes' salary will be paid entirely from revenue generated by the Athletics Department. No part of her salary will be paid from appropriated funds or donor contributions.
 - The Second Amended Multiple-year Employment Agreement will be largely identical to the 2019 contract approved by the board, subject to the few changes indicated in this Executive Summary, as well as updated language regarding NCAA compliance, Title IX responsibilities, and termination for cause.

Annual Performance Incentives

- The Second Amended Multiple-year Employment Agreement does not modify the existing annual performance incentive criteria or incentive payment amounts that were approved by the board in late 2019 (and in April 2021), and Barnes will continue to be eligible to earn annual performance incentives as set forth below.

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- The Second Amended Multiple-year Employment Agreement will require the return of incentives paid for performance if credit for games or championships are vacated, diminished, or otherwise “lost” due to NCAA infractions or violations of other binding rules or other penalties, whether self-imposed by UArizona or imposed by the conference or the NCAA.
- Academic performance incentive payments are for the highest-ranked achievement in each category and are not cumulative to any lower-ranked achievements, unless otherwise indicated. Payments in each athletic performance incentive (conference and NCAA) category are cumulative, unless otherwise noted. If Barnes were to earn the maximum performance incentive payments allowed, she would receive annual incentive payments of no more than \$305,000 (\$60,000 and \$245,000 for academic and athletic performance achievements, respectively).

I. Academic Performance Incentives

Multi-year Academic Progress Rate (MYAPR)

Barnes may receive one-time compensation on an annual basis for the following MYAPR team achievements (Women’s Basketball MYAPR for 2019-2020 was 996):

<u>MYAPR</u>	<u>BONUS</u>
971 or above (no rounding) *	\$10,000
1000 (no rounding)	\$15,000

* MYAPR bonus methodology: This threshold was derived by averaging the UArizona MYAPR for all sports with the MYAPR of all NCAA FBS teams.

Cumulative Grade Point Average (CGPA)

Barnes may receive additional one-time compensation on an annual basis for the following team CGPA achievements (Women’s Basketball CGPA for 2019-2020 was 3.207):

<u>CGPA</u>	<u>BONUS</u>
3.00 – 3.29 (no rounding)	\$15,000
3.30 – 3.68 (no rounding)	\$30,000
3.69 or above	\$45,000

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II. Athletic Performance Incentives

Barnes may receive additional one-time compensation on an annual basis for the following athletic performance team achievements in a given year:

- Pac-12 Conference Regular Season Champion \$20,000
- Pac-12 Conference Tournament Champion \$10,000
- NCAA Tournament
 - National Champion \$50,000
 - Final Four Appearance \$40,000
 - Elite Eight Appearance \$30,000
 - Sweet Sixteen Appearance \$25,000
 - Round of 32 Appearance \$20,000
 - NCAA Tournament Appearance \$10,000
- Final AP or ESPN/USA Today Ranking (highest amount only)
 - Within the Top Ten \$10,000
 - 11th through 15th \$5,000
- Regular Season Victories (excludes exhibition games)
 - 25 or more \$10,000
 - 20 to 24 \$5,000
- Coach of the Year (highest amount only)
 - Recognition as Pac-12 Coach of the Year OR National Coach of the Year by one of AP, WCBA, or Naismith \$10,000
 - Recognition as Pac-12 Coach of the Year AND National Coach of the Year by one of AP, WCBA, or Naismith OR National Coach of the Year as voted by more than one of AP, WCBA, or Naismith \$15,000

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Other Provisions

- Barnes will receive all employee-related benefits normally available to UArizona employees. She will receive additional benefits as well, including tickets to UArizona sporting events, use of one automobile or a stipend, and an opportunity to have guests at post-season women's basketball tournament appearances with prior Athletic Director approval.
- Barnes will have the right to operate private youth basketball camps and clinics on the campus of UArizona, subject to a separate agreement between UArizona and Barnes for the use of UArizona facilities and/or marks. Barnes will own all rights to the camps and will be responsible for all aspects of the camps, including payment and expenses/liabilities of the camps.
- Barnes may enter into personal service agreements with other parties to provide services not reserved to UArizona within the contract, subject to UArizona approvals and compliance with applicable UArizona, NCAA, Pac-12, and ABOR policies. Currently, Barnes has or will enter into contracts with Learfield IMG (or its parent or affiliate company) and Nike, Inc.
- To the extent required by NCAA and Pac-12 Conference regulations or UArizona policy, Barnes must disclose all athletics-related outside income to the Athletic Director, UArizona, and the board annually.
- During the duration of the Second Amended Multiple-year Employment Agreement and for a period of one year after expiration or termination of the Agreement for any reason, Barnes will be subject to a covenant not to compete that prevents her from accepting employment as a head coach, assistant coach, or analyst with any Pac-12 institution.
- The Second Amended Multiple-year Employment Agreement may be terminated for cause, in which case UArizona will be liable only for Barnes' salary and incentive payments earned as of the date of termination. Bases for termination for cause will include provisions relating to inability to perform job duties; dishonesty; substantial neglect of program duties or personal conduct that impairs the ability to serve as head coach; failure to cooperate in investigations; provisions relating to violations of certain laws, NCAA and Conference rules and regulations, and ABOR and UArizona policies and rules; and provisions relating to the failure to maintain high levels of integrity, honesty, moral character, professionalism, and dedication to UArizona and its student athletes.
- Additionally, if Barnes violates NCAA or Pac-12 Conference regulations, she will be required to pay UArizona \$100,000 as liquidated damages and would be

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required to return sums earned as athletic performance incentives for any victories or championships forfeited or vacated due to such violations.

- If UArizona terminates the Second Amended Multiple-year Employment Agreement without cause, UArizona will pay Barnes liquidated damages for each year or portion (pro rata) remaining in the Agreement, calculated as follows: sixty percent (60%) of Barnes' salary plus that percentage of her salary designated as Employee Related Expenses (as published by UArizona's Financial Services Office) as of the date of termination, plus the value, as assigned by UArizona in its sole discretion, of the automobile provided to Barnes during the term. As with her previous contract approved by the board, in light of the 60% damages calculation above, Barnes will not be obligated to mitigate her loss of income or to offset the amounts paid to her by UArizona if she becomes re-employed during the time when the Agreement would still have been in effect.
- The Second Amended Multiple-year Employment Agreement may be terminated by Barnes without cause. In that event, Barnes will pay to UArizona liquidated damages based on the time remaining in the Agreement, calculated as follows: \$3,000,000 if terminated in Year 1; \$3,000,000 if terminated in Year 2; \$700,000 if terminated in Year 3; \$300,000 if terminated in Year 4; \$0 if terminated in Year 5.
- The Agreement will set out Barnes' various compliance obligations, including her obligation to promptly disclose potential NCAA or Pac-12 rules violations, her obligation to comply with NCAA, Pac-12, ABOR, and UArizona rules, regulations, and policies, and her duties under Title IX.

Statutory/Policy Requirements

- ABOR Policy 6-910 requires board approval of multiple-year employment contracts for head basketball coaches.
- ABOR Policy 6-1001 provides the requirements for multiple-year appointments of head coaches.

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