Item Name: Review of Multiple-Year Employment Agreement for Men’s Basketball Head Coach (UArizona)

☑️ Action Item

Requested Action: The University of Arizona (UArizona) asks the board to approve the Multiple-Year Employment Agreement for Tommy Lloyd as Men’s Basketball Head Coach, 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 Multiple-Year Employment Agreement ("Agreement") for Men’s Basketball Head Coach Tommy Lloyd ("Lloyd"). This agreement would be for a five-year term.

- Lloyd is a highly qualified coach with an impressive background. Lloyd has been an assistant coach at Gonzaga University for the past 20 seasons, helping to recruit and develop 19 All-Americans and 15 West Coast Conference players of the year and contributing to five straight 30-win seasons and a pair of appearances in the National Championship game.

- As an assistant coach under one of the country’s best coaches, Mark Few, Lloyd demonstrated his excellence as a recruiter and brings a high level of experience to UArizona. Lloyd's proficiency at Gonzaga, along with his strong reputation, align well with UArizona's goals and vision for the future of its men's basketball program. His leadership will continue the tradition of excellence within the UArizona Men's Basketball Program ("Program") and emphasize a positive culture for UArizona's student athletes, fans, and staff. Lloyd's passion, experience, knowledge, coaching and recruiting acumen, and drive will help re-establish the Program as one of the elite programs in the country.

- Lloyd is well-respected throughout college basketball, both for the performance of his teams on the court and the connection to and development of the players under his tutelage. During his time with Gonzaga as an assistant coach, Gonzaga posted a record of 578-109 (.841) and reached the NCAA Tournament every year, going as far as the title game twice, the Elite Eight twice, and the Sweet 16 four times. During his tenure, Lloyd and Gonzaga won 19 West Coast Conference regular season titles and 15 WCC Tournament championships with the help of 87 all-WCC honorees, including nine newcomers of the year and six defenders of the year.

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EXECUTIVE SUMMARY

Based on due diligence, UArizona is not aware of any issues negatively affecting Lloyd's employability, including, but not limited to, NCAA violations, claims or litigation related to his prior employment as an assistant coach, allegations of wrongdoing, or significant press controversies.

Discussion

Agreement Duties, Length, and Compensation/Salary Adjustments

The proposed Agreement term will be five years, from April 15, 2021, through March 31, 2026. The first year will be from April 15, 2021, through March 31, 2022. Each successive year will be from April 1 through March 31.

Lloyd’s program duties will be those customarily associated with the head coach of a Division I men's basketball program. This includes, among other items, 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 University, ABOR, Pac-12, and NCAA policies, rules, and regulations.

Lloyd's annual salary will be $1,800,000 for the first year of the Agreement and will increase incrementally each year during the 5-year term, as follows:

- Year 2 - $1,900,000
- Year 3 - $2,000,000
- Year 4 - $2,100,000
- Year 5 - $2,200,000

In the event the NCAA (including the Independent Accountability Resolution Process or IARP) imposes: (a) a post-season ban on the Program, and/or (b) imposes a scholarship reduction penalty of two or more scholarships during any academic year for the Program, and/or (c) imposes any other material restriction upon recruiting visits or recruiting days on the Program (hereinafter “Restriction” or “Restrictions”) as sanctions for events occurring wholly prior to Lloyd's employment as coach of the Program, UArizona will request at the next scheduled ABOR meeting after the sanctions are imposed, that ABOR approve an extension of Lloyd's Agreement, as follows:

- By a period of one year if all of the Restrictions are imposed during one or less academic year, with a base salary of $2,300,000 for that additional year; or
EXECUTIVE SUMMARY

- By a period of two years if any Restriction is imposed during more than one academic year, with a base salary of $2,300,000 for the first additional year and a base salary of $2,400,000 for the second additional year.

- UA will make this request in accordance with ABOR Policy and will not be obligated to make this request if UA has suspended Lloyd or is in the process of terminating Lloyd’s Agreement with or without cause.

In addition to this base salary, Lloyd will receive compensation for additional duties associated with being the coach of the Program, as designated by the Director of Athletics, in the amount of $700,000 annually. These additional duties are related to Lloyd’s public facing duties as coach, including engaging in regular interviews with television, radio, and internet programs, supporting promotional and advertising activities, and other activities that further the interest of the Program and University.

Lloyd’s salary and additional duties compensation will be paid entirely from revenue generated by the Athletics Department. No part of his salary or additional duties compensation will be paid from appropriated funds or donor contributions.

Annual Performance Incentives

- Lloyd may earn annual performance incentives as set forth below if the men’s basketball team meets designated academic and athletic performance thresholds. Payments are for the highest-ranked achievement in each category and are not cumulative to any lower-ranked achievements, unless specifically noted otherwise.

- The Agreement will require that Lloyd return sums earned as performance incentives for any accomplishments that are subsequently lost, vacated, or diminished due to NCAA infractions or violations of other binding rules or other penalties, whether self-imposed by UA or imposed by the conference or the NCAA.

I. Academic Performance Incentives

The following academic metrics will be measured annually, and progressive and sustained success (i.e., continual improvement) will be incentivized:

Cumulative Grade Point Average (CGPA):
Lloyd may receive one-time compensation on an annual basis for CGPA achievements. Lloyd will be incentivized to achieve at or above the average grade point average for all UArizona non-student athletes, which was slightly above 3.0 for the 2019-2020 academic year. Therefore, Lloyd should be working toward team grade point averages that are at or above average University grade point averages. (Men's Basketball CGPA for the most recent academic year available was 2.79.)

<table>
<thead>
<tr>
<th>CGPA</th>
<th>BONUS</th>
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<tbody>
<tr>
<td>3.00 – 3.29 (no rounding)</td>
<td>$125,000</td>
</tr>
<tr>
<td>3.30 – 3.68 (no rounding)</td>
<td>$175,000</td>
</tr>
<tr>
<td>3.69 or above</td>
<td>$200,000</td>
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Multi-year Academic Progress Rate (MYAPR)

Lloyd may receive one-time compensation on an annual basis for MYAPR team achievements (Men’s Basketball MYAPR for 2019-2020 was 980).

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<tr>
<th>MYAPR</th>
<th>BONUS</th>
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<tbody>
<tr>
<td>971 or above (no rounding)</td>
<td>$25,000</td>
</tr>
<tr>
<td>1000 (no rounding)</td>
<td>$50,000</td>
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</tbody>
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* MYAPR bonus methodology: This threshold was derived by using the most recent MYAPR average available for all Pac-12 Men’s Basketball (that number is 971).

II. Athletic Performance Incentives

Lloyd 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 $50,000
- Pac-12 Conference Tournament Champion $50,000
- NCAA Tournament (cumulative)
  - National Champion $500,000
## EXECUTIVE SUMMARY

<table>
<thead>
<tr>
<th>Event</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Final Four Appearance</td>
<td>$175,000</td>
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<tr>
<td>Elite Eight Appearance</td>
<td>$50,000</td>
</tr>
<tr>
<td>Sweet Sixteen Appearance</td>
<td>$50,000</td>
</tr>
<tr>
<td>Round of 32 Appearance</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

- **Final AP or USA Today Coaches Poll Ranking** (highest amount only)
  - Within the Top Ten (1st – 10th) $30,000
  - 11th through 15th $20,000

- **Regular Season Victories** (excludes exhibition and post-season games) (highest amount only)
  - 25 or more $40,000
  - 20 to 24 $20,000

- **Coach of the Year** (highest amount only)
- **Recognition as Pac-12 Coach of the Year** $20,000
- **Recognition as National Coach of the Year** by one of AP, National Association of Basketball Coaches, or the Atlanta Tipoff Club (Naismith) $40,000

### Other Provisions

- Lloyd will receive all employee-related benefits normally available to UA zon employees. He will receive additional benefits as well, including tickets to UA zon sporting events, use of one automobile or a stipend, and an opportunity to have guests during road trips and during post-season men’s basketball tournament appearances with prior Athletic Director approval.

- There is no buyout related to Lloyd’s previous employment.

- Lloyd will have the right to operate private youth basketball camps and clinics on the campus of UA zon, subject to a separate agreement between UA zon and Lloyd for the use of UA zon facilities and/or marks. Lloyd 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.
• Lloyd may enter into personal service agreements with other parties to provide services not reserved to UArizona within the Agreement, subject to UArizona approvals and compliance with applicable UArizona, NCAA, Pac-12, and ABOR policies. Lloyd 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, Lloyd must disclose all athletics-related outside income to the Athletic Director, UArizona, and ABOR annually.

• For a period of one year after termination of the Agreement by Coach, Lloyd will be subject to a covenant not to compete that prevents him from accepting employment as a head coach, assistant coach, or consultant with any Pac-12 institution.

• The Agreement may be terminated for cause, in which case UArizona will be liable only for Lloyd's salary, additional duties compensation, 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; any NCAA Level I penalty imposed on the Program for such a violation occurring during Lloyd's employment; 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 Lloyd violates NCAA or Pac-12 Conference regulations, he would be liable to pay UArizona $200,000 as liquidated damages and would be required to return sums earned as performance incentives for any victories, championships, or other accomplishments forfeited, vacated, or diminished due to such violations.

• If UArizona terminates the Agreement without cause, UArizona will pay Lloyd a severance benefit calculated as follows: sixty-five percent (65%) of the remainder of the value of the Agreement (Lloyd's base salary plus additional duties compensation) through the length of the term of the Agreement. The severance benefit amount will be offset by any and all amounts Lloyd receives if he is employed at any other university or professional team as a coach, assistant coach, scout, analyst, recruiter, athletic director or similar title or working in a media capacity, at any time during the Agreement term.
Lloyd will have a reasonable duty to mitigate by seeking employment following such a termination.

- The Agreement may be terminated by Lloyd without cause. In that event, Lloyd will pay to UArizona liquidated damages based on the time remaining in the Agreement, calculated as follows: $5,000,000 if terminated in Year 1; $5,000,000 if terminated in Year 2; $2,500,000 if terminated in Year 3; $1,500,000 if terminated in Year 4; $1,000,000 if terminated in Year 5.

- The Agreement will set out Lloyd's various compliance obligations, including his obligation to promptly disclose potential NCAA or Pac-12 rules violations, his obligation to comply with NCAA, Pac-12, ABOR, and UArizona rules, regulations, and policies, and his 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.