

EXECUTIVE SUMMARY

Item Name: **Approval of Multiple-Year Employment Agreement for Head Baseball Coach (UArizona)**

Action Item

Requested Action: The University of Arizona (UArizona) asks the board to approve the multiple-year employment agreement for Walter “Chip” William Hale III as Head Baseball Coach, as described in this executive summary.

Background / History of Previous Board Action

- UArizona seeks board approval of a Multiple-Year Employment Agreement (“Agreement”) for Baseball Head Coach Walter “Chip” William Hale III (“Hale”). This agreement would be for a five-year term.
- Hale’s experience as a player at the collegiate level, and as a player, coach, and manager in Major League Baseball, along with his strong reputation at all levels of the sport, align well with UArizona’s goals and vision for the continued success of its baseball program (“Program”). His leadership will continue the tradition of excellence within the Program and emphasize a positive culture for UArizona’s student-athletes, fans, and staff. Hale’s passion, knowledge, and coaching experience at the professional level will help the Program maintain its status as one of the elite programs in the country.
- Hale has an impressive background, beginning with his playing career at UArizona and continuing with nearly two decades of professional coaching experience. Hale played for UArizona from 1984 to 1987 and was an integral member of the University’s 1986 national championship team. He still holds numerous Arizona career records, including games played (255), at-bats (978), hits (337), walks (162), and total bases (507). Hale was inducted into the Arizona Sports Hall of Fame in 1994. After college, Hale played for the Minnesota Twins and Los Angeles Dodgers before beginning his career in coaching.
- Hale managed the Triple-A Tucson Sidewinders from 2004 to 2006. During his final year in AAA, the Sidewinders had a record of 91-53, won the Pacific Coast League, and Hale was voted the Pacific Coast League Manager of the Year. Hale then spent the next 15 years coaching at the Major League Level, including as the manager of the Arizona Diamondbacks (2016-2017). Hale also served as a coach for the Diamondbacks, New York Mets, Oakland Athletics, Washington Nationals (where he

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won a World Series), and, most recently, the Detroit Tigers.

- Over the course of his Major League coaching career, Hale helped guide the development of numerous All-Stars, including but not limited to, Bryce Harper, Juan Soto, Trea Turner, Anthony Rendon, Matt Chapman, Paul Goldschmidt, Zack Greinke, Josh Donaldson, Dan Haren, and Justin Upton.
- Based on due diligence, UArizona is not aware of any issues negatively affecting Hale'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 July 6, 2021 through June 30, 2026. The first year will be from July 6, 2021, through June 30, 2022. Each successive year will be from July 1 through June 30.
- Hale's program duties will be those customarily associated with the head coach of a Division I baseball 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.
- Hale's annual salary will be \$435,000 for the first year of the Agreement and will increase incrementally each year during the 5-year term, as follows:
 - Year 2 - \$440,000
 - Year 3 - \$445,000
 - Year 4 - \$450,000
 - Year 5 - \$455,000
- Hale's salary will be paid entirely from revenue generated by the Athletics Department. No part of his salary will be paid from appropriated funds or donor contributions.

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Annual Performance Incentives

- Hale may earn annual performance incentives as set forth below if the baseball team meets designated academic and athletic performance thresholds.
- The Agreement will require that Hale 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 UArizona 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. Payments are for the highest-ranked achievement in each category and are not cumulative to any lower-ranked achievements, unless specifically noted otherwise. The maximum academic performance bonus cannot exceed \$22,500 in any given year.

Cumulative Grade Point Average (CGPA):

Hale may receive one-time compensation on an annual basis for CGPA achievements. Hale 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, Hale should be working toward team grade point averages that are at or above average UArizona grade point averages. (Baseball CGPA for the most recent academic year available was 3.02.)

| <u>CGPA</u> | <u>BONUS</u> (highest amount only) |
|---------------------------|---------------------------------------|
| 3.00 – 3.20 (no rounding) | \$1,500 |
| 3.21 – 3.40 (no rounding) | \$2,500 |
| 3.41 – 3.90 (no rounding) | \$5,000 |
| 3.91 – 4.00 (no rounding) | \$7,500 |

Multi-year Academic Progress Rate (MYAPR)

Hale may receive one-time compensation on an annual basis for MYAPR team achievements. (Baseball's MYAPR for 2019-2020 was 973).

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| <u>MYAPR</u> | <u>BONUS</u> (highest amount only) |
|-------------------------|---------------------------------------|
| 975 – 985 (no rounding) | \$3,000 |
| 986 – 999 (no rounding) | \$7,500 |
| 1000 (single year) | \$15,000 |

*MYAPR bonus methodology: This threshold was derived by using the most recent (2018-2019) MYAPR average available for all Pac-12 Baseball (that number is 977).

II. Athletic Performance Incentives

Hale may receive additional one-time compensation on an annual basis for the following athletic performance team achievements in a given year. The maximum athletics performance bonus cannot exceed \$160,000 in any given year.

- Pac-12 Conference Regular Season Champion
\$20,000
- Pac-12 Conference Tournament Champion
\$10,000
- Post-Season Performance(cumulative)
- NCAA National Champion
\$100,000
- College World Series Championship Series Final
\$20,000
- College World Series
\$25,000
- NCAA Super Regionals
\$20,000
- NCAA Regionals
\$10,000
- Pac-12 Coach of the Year*
\$10,000
- National Coach of the Year* (as voted by National Collegiate Baseball Writers Association)
\$10,000

*Not subject to the maximum performance bonus cap

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Other Provisions

- Hale will receive all employee-related benefits normally available to UArizona employees. He will receive additional benefits as well, including tickets to UArizona sporting events, use of one automobile or a stipend, a country club or health club membership, and an opportunity to have guests during road trips and during post-season baseball tournament appearances with prior Athletic Director approval.
- There is no buyout related to Hale's previous employment.
- Hale will have the right to operate private youth baseball camps and clinics at UArizona, subject to a separate agreement between UArizona and Hale for the use of UArizona facilities and/or marks. Hale 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.
- Hale 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. Hale has or will enter into a contract with Nike, Inc.
- To the extent required by NCAA and Pac-12 Conference regulations or UArizona policy, Hale 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 Hale, he will be subject to a covenant not to compete that prevents him from accepting employment with any Pac-12 institution.
- The Agreement may be terminated by UArizona for cause, in which case UArizona will be liable only for Hale's 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; any NCAA Level I penalty imposed on the Program for such a violation occurring during Hale'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.

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- Additionally, if Hale violates NCAA or Pac-12 Conference regulations, he would be liable to pay UArizona \$100,000 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 Hale a severance benefit calculated as follows: sixty-five percent (65%) of the value of the base salary owed for the remainder of the term of the Agreement. The severance benefit amount will be offset by any and all amounts Hale receives if he is employed or compensated for work at any other university or professional team as a head coach, assistant coach, scout, analyst, athletic director or similar title, or working in a media capacity as an announcer, analyst or similar position in television, broadcasting, or streaming provider, at any time during the Agreement term. Hale will have a reasonable duty to mitigate by seeking employment or other compensation following such a termination.
- The Agreement may be terminated by Hale without cause. In that event, Hale will pay to UArizona sixty-five percent (65%) of the value of the base salary owed for the remainder of the term of the Agreement.
- The Agreement will set out Hale'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 baseball coaches.
- ABOR Policy 6-1001 provides the requirements for multiple-year appointments of head coaches.

Committee Review and Recommendation

The Finance, Capital and Resources Committee reviewed this item at its September 9, 2021 meeting, and recommended forwarding the item to the full board for approval.