

**COMMITTEE ON COMPENSATION
FEBRUARY 2008**

**ACTION UNDER INTERIM AUTHORITY – CONTRACT COMPENSATION FOR
NORM CHOW AS FOOTBALL OFFENSIVE COORDINATOR, LOS ANGELES
CAMPUS**

Action under interim authority was requested for the appointment of Norm Chow. This request is in response to an immediate need to fill this position and the need to secure Mr. Chow in this position.

RECOMMENDATION

It was recommended that the following items be approved in connection with the compensation terms for Football Offensive Coordinator, Norm Chow, Los Angeles campus. Pending approval by The Regents of the compensation terms, which exceed delegated authority, Mr. Chow's appointment is to be effective January 28, 2008 through February 14, 2011 as indicated below.

(1) Guaranteed compensation:

- a. Effective January 28, 2008, an annual "guaranteed compensation" of \$300,000 for the first two years of the contract comprised of a base salary of \$250,000 and an annual talent fee of \$50,000. The total proposed annual guaranteed compensation for the first two years of this contract is equal to that of the predecessor's annual guaranteed compensation.
- b. Effective February 15, 2010, (the third year of the three-year contract) a 30 percent increase in the annual "guaranteed compensation" from \$300,000 to \$390,000. The guaranteed compensation will be comprised of an annual base salary remaining at \$250,000 and an increase to the talent from \$50,000 to \$140,000.

(2) Bonuses:

- a. Retention Bonus: As a new element, a retention bonus in the amount of \$250,000. In the event Coach Chow remains in his position as Offensive Coordinator as of the first football practice of the 2010 season (April 2010), he will receive a retention bonus of \$250,000. Coach Chow must repay this retention bonus in full to UCLA within 60 days if Coach terminates his employment prior to the end of the 2010 regular football season.
- b. Performance Bonus: An increase from the predecessor's annual maximum potential performance bonus of \$20,000 to \$40,000. In the event that the football team, during the term of the employment contract, accomplishes the following, Coach Chow shall earn supplemental compensation during each contract year in

which the accomplishment occurs, to be paid at the conclusion of the 2010 football season, as follows:

<u>Accomplishment</u>	<u>Bonus Amount</u>
Team wins the National Championship	\$25,000
Team participates in a BCS Bowl	\$15,000
Team participates in a Bowl with a payout of \$1 million or more	\$ 6,500
Team participates in a Bowl with a payout of less than \$1 million.	\$ 4,000

(3) Other:

- a. As an exception to policy, 100 percent reimbursement for moving expenses instead of the 50 percent per policy.

Additional elements of compensation to be provided and within the recruiting and negotiation parameters:

- Camps: Eligibility to earn up to \$10,000 per year for participating in summer camps.
- Benefits: Eligibility for standard Health & Welfare benefits.
- Other: Eligibility for one courtesy automobile.

If Mr. Chow is terminated for cause, all obligations will cease. If Mr. Chow is terminated without cause, the University will owe the remaining balance on the guaranteed compensation and the retention bonus, offset by any personal services income earned by the coach during the remaining period of the contract. Finally, Mr. Chow is free to terminate at any time other than during the football season and there is no penalty clause.

The compensation provided under this contract will be paid from existing non-State fund sources, including already received ticket revenue.

The compensation described above shall constitute the University's total commitment until modified by The Regents and shall supersede all previous oral or written commitments.

BACKGROUND

The campus has successfully negotiated the hiring of Norm Chow. Mr. Chow is considered to be one of the most respected and successful offensive coordinators of this era in college football.

[Compensation form attached.]

**CONTRACT COMPENSATION FOR NORM CHOW AS FOOTBALL OFFENSIVE COORDINATOR
 – ATHLETICS, LOS ANGELES CAMPUS
 SLCG GRADE – NOT SLOTTED**

ITEM	RECEIVING		AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO			
SALARY AND OTHER CASH PAYMENTS					
· Annual Base Salary	X		\$250,000	NO	REGENTS
· Health Sciences Compensation Plan		X			
· Additional Salary (Stipend, add-ons, etc.) – Talent Fee.*1 ST 2 yrs, **3 rd yr of contract	X		\$50,000* \$140,000**	NO	REGENTS
· Clinical Enterprise Management Recognition Plan		X			
· Any other bonuses/Incentives: Performance Bonus (up to amount) Bowl Games		X	\$40,000		REGENTS
· Annual Incentive Plan (Treasurer's Office only)		X			
· Senior Management Supplemental Benefit Program - eligible to receive 5 percent as contribution to retirement plan for total annual amount at current base salary		X			
BENEFITS AND PERQUISITES					
· Standard Benefits Package (Health, UCRP, Vision, Dental, etc.)	X			NO	
· Automobile Allowance		X			
· Leased Automobile		X			
· Senior Manager Life Insurance		X			
· Executive Business Travel Insurance		X			
· Exec. Salary Continuation for Disability		X			
· Mortgage Origination Program (MOP) Loan		X			
· Supplemental Home Loan Program (SHLP)		X			
· University-provided Housing (President/Chancellors)		X			
· Educational Expenses		X			
· Other Perqs - please list below Courtesy Automobile (imputed income)	X				
ONE-TIME PAYMENTS/REIMBURSEMENTS					
· Payment in Lieu of Sabbatical Pay		X			
· Relocation Allowance		X			
· Temporary Housing Allowance – 30 consecutive days per policy		X			
· Payment in lieu of Vacation Pay		X			
· Moving Expenses/Movement Household (100% reimbursement)	X			X	Regents

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Page 2 of 2

ITEM	RECEIVING		AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
	YES	NO			
FUTURE BENEFITS					
· Post-retirement Employment Agreements		X			
· Consultant/Independent Contractor Compensation Agreement		X			
· Severance/Separation Agreement		X			
· Sabbatical/Administrative Leave		X			
· Special Health Benefits or Other Benefits		X			
OTHER					
· Administrative Fund Allocation		X			
· Corporate Board Service		X			
· Other (Specify): Summer Camp Income (up to amount)	X		\$10,000		
TOTAL ANNUAL EMPLOYEE COMPENSATION (Including, if applicable, Salary, Perquisites, One-time Payments, Future Benefits, and Other) *1 st -2 nd yr, **3 rd yr					
			\$350,000*		
			\$440,000**		

[Please note that all payments, reimbursements, special benefits, etc. should be listed on this form in order to be authorized by the President and The Regents. This information will be released to the Public].

The only compensation permitted is what is listed on the summary page that accompanied the item.