

**INTERIM ITEM
MAY 2008**

**RETENTION INCREASE FOR DANIEL G. GUERRERO, DIRECTOR OF
INTERCOLLEGIATE ATHLETICS, LOS ANGELES CAMPUS**

RECOMMENDATION

The President recommended that the Committee on Compensation recommend to The Regents approval of the following compensation terms in connection with the retention of Daniel G. Guerrero as Director of Intercollegiate Athletics, Los Angeles campus. Pending approval by the Regents of these compensation terms, Mr. Guerrero's contract, currently effective April 1, 2006 through March 31, 2012, will be superseded by a new contract effective April 1, 2008 through March 31, 2013.

The campus initiated negotiations with Athletic Director Guerrero to amend his current contract in response to external interest on the part of competitive institutions. The following terms and conditions are proposed for the new contract:

(1) Contract Duration: Replaces the existing contract and establishes the term of the new contract as effective April 1, 2008 to March 31, 2013.

(2) Base Salary: As a policy exception, increases the annual base salary by 45 percent (\$144,400) from \$320,600 to \$465,000, effective April 1, 2008.

(3) Bonus Compensation: Decreases the opportunity to earn bonus compensation from \$120,000 to \$75,000, as follows:

Academic achievement up to	\$25,000
Athletic success up to	\$25,000
Goal alignment up to	\$15,000
Discretionary Bonus up to	<u>\$10,000</u>
Total Maximum Bonus Potential	\$75,000

(4) Annual Increase: Provides for a 5 percent increase in annual base pay starting April 1, 2009, and in each of the subsequent years of the contract duration in lieu of receipt of a standard merit increase.

(5) Retention Bonus: Provides for a retention bonus of \$750,000 payable at the end of the fifth year of the contract if Director Guerrero completes the five full years of service of the contract. None of this bonus will vest on an interim basis, unless Director Guerrero is terminated without cause by the University, in which case it will vest at the rate of \$150,000 per year of his service as Director (or pro-rated accordingly).

(6) Annual Physical Exam: By exception, provides eligibility for a completely voluntary, comprehensive annual physical examination at a cost not to exceed \$3,500 per year, to be paid by department recharge from the Athletic Department to the UCLA School of Medicine's Comprehensive Health Program. Participation in this physical and or the results of this physical will not serve as a condition of employment and will comply with all requirements under the Health Insurance Portability and Accountability Act (HIPAA).

Additional elements of compensation include:

- Pursuant to the existing contract, a courtesy vehicle, which will continue in effect under the new contract.
- Per policy, eligible for standard Health & Welfare benefits.
- Continuation of participation in the Supplemental Home Loan Program (SHLP).
- Other standard provisions of the existing contract will also continue in effect.

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

During his six years of service as Director of Intercollegiate Athletics at UCLA, Daniel G. Guerrero has become one of the leading athletic directors in the NCAA, deeply respected by his colleagues nationally, in the PAC-10, and by the administration of the NCAA at the highest level. He continues to serve as chief steward of one of the finest overall programs in the country where success is defined in terms of breadth of athletic achievement and academic/athletic balance, watchwords of the University's historic approach, as demonstrated in PAC-10 and NCAA activities.

**CONTRACT COMPENSATION FOR DANIEL G. GUERRERO AS DIRECTOR – INTERCOLLEGIATE
ATHLETICS, LOS ANGELES CAMPUS
Position is Not Slotted**

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ITEM	RECEIVING YES NO	AMOUNT	EXCEPTION TO POLICY	APPROVAL REQUIRED
SALARY AND OTHER CASH PAYMENTS				
· Annual Base Salary ¹	X	\$465,000	YES	REGENTS
· Health Sciences Compensation Plan				
· Additional Salary (Stipend, add-ons, etc.)				
· Clinical Enterprise Management Recognition Plan				
· Any other bonuses/Incentives: -- Total Maximum Bonus Potential, up to -- Retention Bonus ²	X X	\$75,000 \$750,000	YES YES	REGENTS REGENTS
· Annual Incentive Plan (Treasurer's Office only)				
· Senior Management Supplemental Benefit Program - eligible to receive 5 percent as contribution to retirement plan for total annual amount at current base salary				
BENEFITS AND PERQUISITES				
· Standard Benefits Package (Health, UCRP, Vision, Dental, etc.)	X		NO	
· Automobile Allowance				
· Leased Automobile				
· Senior Manager Life Insurance				
· Executive Business Travel Insurance				
· Exec. Salary Continuation for Disability				
· Mortgage Origination Program (MOP) Loan				
· Supplemental Home Loan Program (SHLP)	X ³			
· University-provided Housing (Pres/Chancellor)				
· Educational Expenses				
· Other Perqs - please list below -- One Courtesy Vehicle -- Annual Physical Exam (up to \$3,500 reimbursable annually)	X X		YES	REGENTS
ONE-TIME PAYMENTS/REIMBURSEMENTS				
· Payment in Lieu of Sabbatical Pay				
· Relocation Allowance				
· Temporary Housing Allowance – 30 consecutive days per policy				
· Payment in lieu of Vacation Pay				
· Moving Expenses/Movement Household				

¹ Annual 5% salary increase starting April 1, 2009 and in each subsequent year of contract, in lieu of standard merit increases.

² Retention bonus of \$750,000 payable at end of 5th year upon completion of 5 years of service under contract.

³ Eligibility approved by President in 2003. Loan currently being received.

**CONTRACT COMPENSATION FOR DANIEL G. GUERRERO AS DIRECTOR – INTERCOLLEGIATE
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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)					
TOTAL ANNUAL EMPLOYEE COMPENSATION (Including, if applicable, Salary, Perquisites, One-time Payments, Future Benefits, and Other)			\$1,290,000		

[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.