TOPIC: Proposed Board of Regents Policy on Incentive-based Compensation for Athletics Personnel

COMMITTEE: Organization and Compensation

DATE OF COMMITTEE MEETING: September 11, 2014

SUMMARY: The proposed policy for coaches and athletic directors formalizes an expectation that incentive-based compensation to employees associated with an intercollegiate athletics program should only be paid if minimum student-athletes academic progress, as measured by the APR rate, are met. The proposed policy will require any new contract, as well as any modification, amendment, or extension of an existing contract, to include a provision prohibiting the payout of incentive-based compensation where a sport or sports falls below the appropriate institutional APR standard, normally an APR rate of 930 for a particular year. The proposed policy also requires those institutions with Division I intercollegiate athletics programs to disclose the status of incentive-based compensation provisions, so that the staff to the Board may assess compliance with the requirement annually.

ALTERNATIVE(S): The Regents may choose not to adopt the requirement.

FISCAL IMPACT: There is no expected fiscal impact associated with the proposed policy.

CHANCELLOR’S RECOMMENDATION: That the Committee on Organization and Compensation recommend the Board of Regents approval and adoption of the proposed Policy on Incentive-based Compensation for Athletics Personnel.

COMMITTEE RECOMMENDATION: [blank]

BOARD ACTION: [blank]

SUBMITTED BY: Joseph F. Vivona (301) 445-1923
V - 2.20 Policy on Incentive-based Compensation for Athletic Directors and Coaches

(approved by the Board of Regents)

Introduction

Successful academic achievement is an expectation of every student at each University System of Maryland institution. Student-athletes are expected to progress and achieve academically at least at the levels established by the National Collegiate Athletics Association in terms of the Academic Progress Rate (APR), and while there should be higher expectations of student-athlete academic performance and achievement, for the purposes of this policy, the minimum standards established by the NCAA are to be considered threshold levels of minimally acceptable academic achievement and performance standards.

Athletic directors and coaches balance a wide range of goals and objectives. Some institutions incentivize performance for athletic directors and coaches through the possibility of additional (or incentive-based) compensation that is awarded when certain goals or objectives are met.

This policy is intended to ensure that each institution’s employment arrangements with athletic directors and coaches provide an appropriate incentive for adequate academic progress and achievement for student-athletes.

Scope and Requirements

For each institution participating in Division 1 intercollegiate athletics programs, all employment contracts with athletic directors or coaches of Division 1 sports that include incentive-based compensation, must also include a provision that precludes payout of incentive-based compensation in any year in which the sport does not satisfy minimum APR levels for the most recent year they were under employment with the institution as an athletic director or coach. For athletic directors, academic progress and success standards for APR must be met for all sports.

Reporting

In addition to the annual reporting items detailed in Board of Regents Policy V - 2.10, Policy on Reports on Intercollegiate Athletics, each institution participating in Division 1 intercollegiate athletics programs will provide a listing of those individuals with incentive-based compensation provisions in employment contracts (including both academic and athletic), the expiration of the current contract, and whether the contract includes a provision precluding payout of incentive-based compensation in circumstances where the sport (or sports) fall below minimum APR standards.