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ATHLETICS

10 Revealing Tidbits We Found in Football Coaches' Contracts


Chris Graythen, Getty Images
Les Miles, the longtime head football coach at Louisiana State U., has won just over half of his games in the SEC in the last two years, leading some to call for his ouster. But a severance clause in his contract would cost LSU millions.

By Brad Wolverton | DECEMBER 16, 2015

Compensation for big-time college-football coaches has more than doubled in the past decade, with increasingly generous perks. But few incentives in their contracts are tied to academics, despite many NCAA and college leaders' insistence that the sport has an educational foundation.

Those are among the findings from an analysis of employment agreements at more than 100 major college programs. The review, by researchers at Vanderbilt University, was based on an examination of some 900 coaches' contracts over the past 20 years.

The professors shared their data with *The Chronicle* and plan to publish their findings in a forthcoming paper. We pulled out a handful of interesting facts and added a few from our own analysis of athletic departments' spending, highlighting the increasing financial obligations colleges are taking on and the unusual concessions they have made to retain talent.

1. Coaches' compensation has climbed faster than corporate chief executives' pay in the past eight years.

From 2005 to 2013, the average fixed pay for head football coaches at the highest level of the National Collegiate Athletic Association, the Division I Football Bowl Subdivision, more than doubled, to nearly $1.6 million, according to Randall S. Thomas, a business and law professor at Vanderbilt, and R. Lawrence Van Horn, an associate professor of management at the university.

Total compensation for coaches climbed nearly 13 percent a year during that time. Pay for corporate chiefs increased 3.5 percent per year, the researchers found.

The 25 largest athletic departments are paying their coaches an average of $2.7 million a year. That is six times as much as the 25 smallest FBS programs pay their coaches.

Television and radio appearances and speeches accounted for the biggest bumps in pay. They represented an average of more than $900,000 of coaches' fixed compensation in 2013, the professors found. Ten years ago, coaches brought in about half as much from those sources.

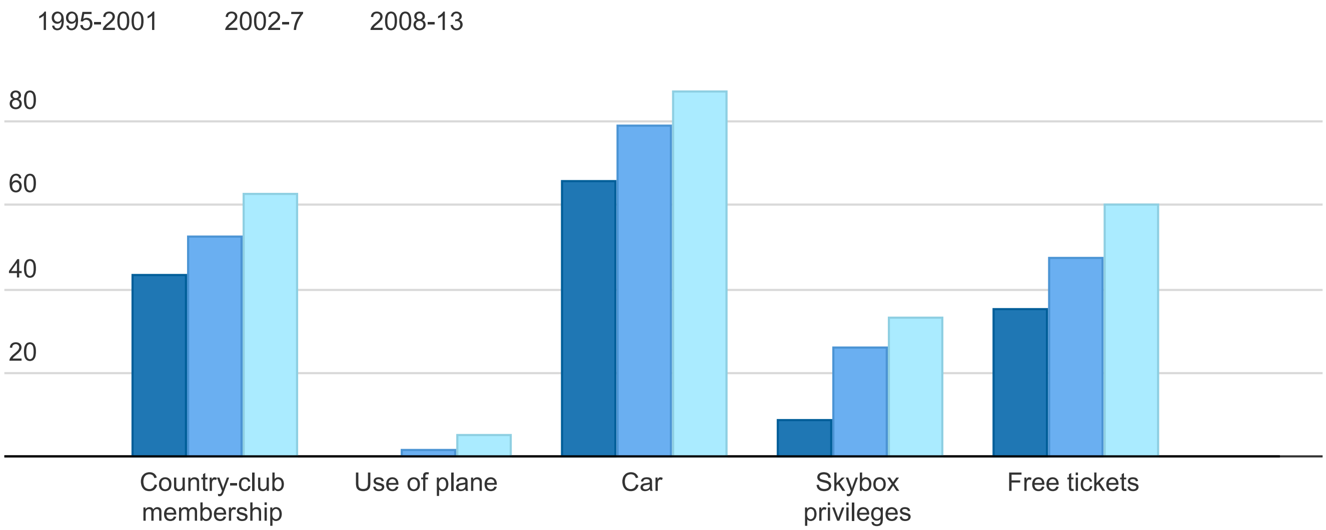
Coaches’ pay has come under increasing scrutiny. But in a paper to be published next year in the *Indiana Law Revie*w*,* the Vanderbilt professors argue that coaches are compensated fairly based on the value they create for their institutions.

2. Skyboxes aren’t just for donors.

Colleges, in addition to paying multimillion-dollar salaries, are offering coaches six-figure expense accounts, the use of private planes for recruiting, and skybox privileges and tickets worth tens of thousands more. The chart below shows how perks have grown in the past two decades and which ones are most popular.

A Pile of Perks

Vanderbilt University researchers analyzed football-coaching contracts in the largest NCAA programs, finding a sharp increase in perks such as skybox privileges and tickets since 1995. The bars below represent the percentages of contracts including such perks.



3. Incentives for athletic achievements greatly outnumber those for academics.

Few colleges offer bonuses for academic accomplishments, such as ensuring that players graduate or make progress toward their degrees, as measured by the NCAA's Academic Progress Rate.

According to the professors' analysis, the biggest academics bonus that most coaches can receive is equal to less than 4 percent of their total compensation. That is about the minimum that most coaches can earn for on-field incentives.

The table below summarizes coaches' academic-performance clauses for the 2013 academic year.

Where Are the Academic Incentives?

Below are the percentages of employment contracts in each conference that contained clauses about academic incentives (Academic Progress Rate, graduation rate, and GPA).

Conference▼	Percentage mentioning APR	Percentage mentioning graduation rate	Percentage mentioning GPA
ACC	13.4	44.8	0
Big 12	6.6	29.7	2.2
Big East	35	27.5	47.5
Big Ten	9.6	18.1	7.5
Conference USA	32.4	36.8	19.1
Mid-American	26.6	21.8	17.7
Mountain West	21.5	13.9	4.6
Pac-12	39.3	57.4	34.4
SEC	23.1	11.5	7.7
Sun Belt	37.3	18.6	20.3

4. As colleges vie for talent, they sometimes make unusual concessions.

Two years ago, a contract for Mike MacIntyre, head football coach at the University of Colorado at Boulder, stated that the university planned to build a "football/athletics operations center" during his tenure. The contract included a provision that, should the university miss deadlines for the construction of the facility, the coach could be released from his agreement without penalty.

A 2001 contract for Bill Snyder, head football coach at Kansas State University, allowed him to resign with no financial penalty if the university chose to "de-emphasize football," which included reducing funding for the program or leaving the Big 12 Conference for a less-prestigious league.

In 2009 the University of Cincinnati agreed to a number of conditions in the contract of the head coach at the time, Brian Kelly, including adding $250,000 to the football budget, increasing the salaries of assistant coaches by $275,000, and establishing an "aid pool" of up to $25,000, to be awarded at the discretion of the coach, allowing players who had exhausted their NCAA eligibility to finish their degrees.

5. Academic incentives are often much less generous than those offered for athletic achievements.

A 2008 contract for Purdue’s then head coach, Joe Tiller, agreed to pay him a bonus of 1 percent of his annual fixed compensation, or about $4,300, if the team’s graduation rate was equal to the university’s average. If all of his players graduated, he was owed a larger bonus of 3 percent of his fixed pay, or about $13,000.

He had far more incentive to put fans in seats. He was guaranteed a minimum $500,000 attendance bonus, with the potential for more if his team regularly sold out the stadium.

6. Some incentives push coaches to raise the bar for academics.

In its 2012 contract with Butch Jones, the University of Tennessee at Knoxville included a clause that would dock his pay by $50,000 if his team’s Academic Progress Rate fell below 930. The rate dipped almost that low in 2012-13, a year before the clause kicked in, but has since come up. (A 930 APR equates to roughly a 50-percent graduation rate.)

A 2005 contract for Hal Mumme, then the head football coach at New Mexico State University, stated that he was not allowed to have more than 10 percent of his roster made up of "at risk" students, including players who were on academic probation or whose semester grade-point average fell below 2.0.

The same contract gave the coach an incentive to reduce his reliance on poorly performing students, potentially earning a $10,000 bonus if he did.

7. One coach had leverage to leave if his institution raised its admissions standards for athletes.

A 2008 agreement for Paul Rhoads, who was dismissed in November as head football coach at Iowa State University, stated that the university did not plan to raise its admissions standards beyond those required by the NCAA. But if Iowa State did increase those standards, which would presumably harm the coach's chance of recruiting certain players, he could resign without penalty.

8. Some agreements tie compensation to ticket sales and donations.

A 2013 contract for Ruffin McNeill, who was dismissed this month as the head football coach at East Carolina University, called for him to receive $16.25 for every season ticket sold before the first home game of the fall 2015 season, or a minimum of $325,000.

The contract also stated that he was to collect an amount equal to 4.5 percent of the annual gifts made to the athletics booster club, or at least $225,000.

Those amounts were in addition to the coach's $400,000 base salary and $400,000 the university was to pay him to appear on weekly radio and television shows.

All told, his contract guaranteed him at least $1.35 million this season. But he missed out on other bonuses because his team won just five of its 12 games.

9. Negative news has prompted colleges to strengthen compliance clauses.

About a decade ago, following a series of scandals at the University of Colorado at Boulder, the institution added character clauses to the contract of the head football coach at the time, Dan Hawkins.

One provided him with an incentive of up to $50,000 for the "welfare and development" of football players, including fostering good citizenship. The coach was also eligible for a $100,000 bonus for ensuring that the football team had a positive reputation on the campus. (Similar clauses are in the contract of Mr. MacIntyre, the current coach.)

Two years ago the University of Connecticut’s men’s basketball team was ruled ineligible for the NCAA tournament because of academic problems. Last year the university included language in the contract of its new head football coach, Bob Diaco, stipulating that he could not receive athletics bonuses unless his team’s four-year Academic Progress Rate was 930 or higher.

10. Colleges are agreeing to increasingly large buyouts.

College football coaches are due more-generous severances than corporate chief executives when they are dismissed without cause, the Vanderbilt professors found. The researchers did not examine how much the fired coaches have received in severance. But a *Chronicle* review of financial documents submitted to the NCAA by more than 200 public colleges, obtained in public-records requests, found that buyouts have grown sharply in the past five years.

From 2010 to 2014, public colleges paid more than $250 million to fired coaches. (That number includes payments to all coaches, not just football coaches.) Between those two years, severance payments to coaches rose 26 percent.

The payouts represented just 1 percent of overall spending at the colleges *The Chronicle* examined. But at some institutions, they accounted for a much larger share of the budget. In 2012 the University of Kansas paid more than $8.5 million to fired coaches. That represented about 10 percent of the athletic department's expenses that year.

A big severance clause hindered Louisiana State University at Baton Rouge this season as it weighed whether to retain Les Miles, its longtime head coach. His teams have finished in the top 10 five times in his 11 seasons and won a national championship in 2007. But in the past two years he has won only slightly more than half of his games in the Southeastern Conference, leading to calls for his ouster.

But firing him and his staff could have cost some $17 million, which would have given the institution a "black eye" with state legislators, F. King Alexander, LSU’s president, told the *Baton Rouge Business Report* this month.

"After the type of budget battle we went through this past spring," he told the newspaper, "we certainly do not need to be throwing tens of millions of dollars around."

More than two dozen colleges parted ways with their football coaches this year. LSU wasn't one of them.

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