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October 11, 2017

University of Louisville  
Board of Trustees  
c/o Thomas M. Williams  
Stoll Keenon Ogden  
500 West Jefferson Street  
2000 PNC Plaza  
Louisville, KY 40202-2828

Dear Trustee,

I am writing as counsel to Tom Jurich to provide some thoughts and information in advance of your October 18, 2017 Board meeting. As most in the Louisville community have expressed, parting ways with Tom isn't in the University's best interest, especially now, when strong leadership is needed to be sure donor support remains intact, fans continue to buy tickets, and NCAA punitive action is minimized. Tom is in the best position to help UofL through this difficult time, as he has helped UofL weather other difficult times and continue to move forward in a positive manner.

Tom has been encouraged by numerous people, including prominent community members and all UofL head coaches, to continue as UofL's Athletic Director if he is asked to do so by the Board.<sup>1</sup> Yesterday, during an interview with Terry Meiners, Governor Bevin made positive comments about the UofL Board of Trustees and Tom's service as Athletic Director, and then made the following comment: "I am not convinced that Tom Jurich's role as Athletic Director at UofL is done." At this time, Tom remains willing to resume that role for the benefit of the University and its athletes, coaches, staff and fans. After spending 20 years at UofL and having hired all of the current coaches, Tom feels a sense of responsibility to them and to the University to continue to work tirelessly as he always has to make UofL athletics the best it can be. But first, let me address several topics that are likely on your minds.

When Tom joined UofL in 1997, it was facing NCAA investigations of basketball and volleyball. Tom has always stated a zero-tolerance policy for NCAA violations. Tom added a compliance officer to his staff, addresses compliance with coaches and staff every year in meetings at the start of school, and compliance is addressed regularly in weekly meetings. Tom observes coaches addressing staff and athletes about compliance on a regular basis.<sup>2</sup>

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<sup>1</sup> See, for example, Bill Lamb, *POV: Consider Jurich's full body of work*, WDRB.com, October 10, 2017.

<sup>2</sup> In the April 2017 hearing involving UofL's appeal of the NCAA sanctions, the prosecutor for the NCAA included

Despite what Tom and UofL athletics staff feel is a very strong compliance program, UofL has now experienced two significant incidents involving inappropriate and non-compliant behavior by individuals who failed to follow the clear compliance policy of UofL athletics. Athletics departments around the country will need to consider how to further monitor all activities of coaches and staff, and perhaps even athletes. This may mean regular review of emails, text messages and phone logs or even having a private investigator on staff at all times to ferret out and be a stronger deterrent to improper activity. The threat of never being able to work in college athletics again has not been enough of a deterrent. Compliance initiatives in the future will likely be forever changed by the current New York legal proceedings.

You may also have concerns about the adidas contract or the recent extension of that contract, especially given all the press this topic has received after Dr. Postel's letter placing Tom on leave was provided to the press. Tom discussed the contract renewal and its broad terms with Dr. Postel twice in April 2017, and after that Dr. Postel's staff and UofL attorneys assisted with negotiation and documenting the terms. If there was an expectation that the contract would be approved by the ULAA Board or by Dr. Postel, this was never communicated to Tom. Governance policies regarding the Athletics Department are the purview of the ULAA Board, and Tom would certainly comply with any new process for reporting or approval of major contracts or initiatives.

The terms of the existing and the new adidas contract are fantastic for UofL, and the negotiations did not involve any improper or illegal activity. The existing contract provides significant benefits to UofL, including a highly valued internship program that draws students to UofL and cash royalty fees for sales of merchandise. These are in addition to adidas products for all 23 sports. Payments are made to one coach, and this arrangement is a common one, was properly reported, and reduced what UofL would otherwise have to pay the coach.

The new contract provides for \$15 million of funding for the Papa John's Cardinal Stadium expansion, among other great benefits to UofL. This product and endorsement contract was to be the first part of a new partnership with adidas. The second part is an adidas product innovation center at the UofL campus, which would provide state of the art equipment and hands-on experience for engineering, business and physical education students, and expansion of the adidas internship program. This is an unprecedented partnership that would bring significant benefit to UofL academics and recruitment of the best and the brightest students.

The adidas relationship needs study in light of the recent events, and controls need to be in place to ensure compliance. UofL should continue to take advantage of the value of an apparel brand being worn by UofL athletes and staff. The value of the apparel alone is at least several million,

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in her closing remarks high praise for Tom and the UofL staff, saying they were open and cooperative and honest in a way rarely seen. After the hearing ended, other NCAA staff said such comments were unheard of in a 34-year career with the NCAA. The NCAA prosecutor would not have felt this way if compliance efforts at UofL had been lax.

but the value to adidas is clearly much larger and can help fund other initiatives such as advertising and the stadium expansion.

Tom's compensation has also been discussed extensively in the press. Tom is likely not the highest paid AD, but that is hard to determine since many schools do not report compensation or do not report total compensation. Tom is one of the highest paid AD's, and this has been reported many times in the local press. Most articles have reported that given the total transformation of UofL athletics under Tom's leadership, the pay is understandable and well earned. Tom was promised at least four years ago that his contract would be re-stated to provide the currently promised compensation level in a straight forward structure, but this has been delayed over and over by UofL. The current contract is complex and includes pay items that are now out of favor, but which were commonplace when the contract was last re-written in 2006 and 2007.

Tom constantly checks in with coaches and athletes, and entertains boosters, community members and donors. He is on call 24/7, 365 days a year. Many athletes and coaches have reported that his success is not only due to his hard work, but also his open-door policy and his regular meetings with athletes, coaches and staff to see what they need to be successful and listen to any concerns. Tom goes to games (matches, meets) for all 23 sports, something many athletic directors do not do.

Tom has worked extremely hard for 20 years for UofL, and for sixteen of those years there have been no significant NCAA violations or disagreements with University Boards. Under Tom's leadership, UofL athletics has been transformed in terms of academics, facilities, success on the field/court, and national prominence. The success under Tom's leadership has been praised year after year.<sup>3</sup> Tom has a very strong focus on academics, and the student athletes have an exemplary 3.0 GPA and 60% graduation rate. Tom's job involves oversight of 23 sports (over 60 coaches), and men's basketball is only one of them. **There are no allegations of wrongdoing in other sports. There are no allegations that Tom was involved in any way that or Tom had any knowledge of NCAA compliance incidents.**

I know that Tom can continue to lead UofL athletics through the current challenges and to even greater success. It would be difficult to find someone else with his experience, network and leadership skills. If the Board wishes for Tom to return to his position, productive working

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<sup>3</sup> See Ross Nethery, *Cards' can-do man*, Louisville Business First, June 8, 2007, following Jurich's being named athletic director of the Year by Street & Smith's Sports Business Journal. (Tom was also named Louisvillian of the Year in 2007.) This Business First article quotes Mitch McConnell: "Coming from nowhere to somewhere in football is the hardest thing to do in collegiate athletics. To have Louisville in the top 10 or 25 every year is an incredible accomplishment"; John L Smith: "You hear the story about how a coach is a player's coach. Well, Tom is a coach's AD. He gives you the support to do whatever it is that will achieve his vision for the program."; Pat Forde: I can't think of a single athletic department that's come as far as Louisville has in the last 10 years. I don't think it's even close."; Junior Bridgeman: "He brought a new mind-set to Louisville, the mind-set that there's no reason any of our teams can't excel."; Jim Host: "His single biggest accomplishment was getting into the Big East, but if you look at the extent to which all of the programs have grown, it's just been a phenomenal ride."

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relationships and guidelines with the Board of Trustees, President Postel and other administrators can be developed. This would involve collaboration regarding compliance practices and initiatives, documentation of governance processes and expectations, and updates to Tom's contract to provide for currently promised compensation in a straight forward structure. Thank you for your consideration. I am available to discuss any and all of this with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alison M. Stemler', with a long horizontal flourish extending to the right.

Alison M. Stemler

Enclosure: Recent Prominent Media Topics and Additional Facts, with cited articles

### **Recent Prominent Media Topics and Additional Facts Regarding Tom Jurich's Leadership of UofL Athletics**

Items referenced in footnotes are attached.

Interaction with the President and ULAA Board. Dr. Postel's September 27<sup>th</sup> letter to Tom placing him on paid administrative leave stated that Tom failed to keep the Board and President informed about the adidas contract. This letter was distributed to the press, and has been written about in many articles. Dr. Postel's letter said that Tom's "recent negotiation of the terms of the updated sponsorship deal with adidas was conducted without timely or appropriate consultation with me or member of the Board of Directors of the University of Louisville Athletics Association".

- Athletics staff provided a memo to Dr. Pinto and David Adams on November 2, 2016 outlining the structure of the new contracts with adidas. Dr. Pinto and Tom were discussing a Product Innovation Center to be supported by adidas that would expand the adidas intern program and allow hands-on product development and experience for engineering, business and physical education students. This is an innovative approach that will provide great benefits to the university and academic programs. The master contract for the innovation center was to be negotiated this month.
- On December 21, 2016, Dr. Pinto, then acting President of UofL, and Tom confirmed the offer of the space on Arthur Street for the innovation center in a letter to Mark King, President of adidas Group North America.
- Tom discussed the adidas contract with Dr. Postel at lunch on Wednesday April 19<sup>th</sup> when they were in Cincinnati, and again by phone on Sunday April 23<sup>rd</sup> while Tom was attending an adidas retreat in Canada. In both conversations, Tom told Dr. Postel that he was working toward a 10-year contract that would pay UofL more than adidas pays any other school.
- Peter Stavros from UofL's legal department, and outside counsel, participated in discussions and drafting the update to the adidas agreement, as did David Adams, the President's Chief of Staff, and Becky Simpson, Communications Director.
- When UofL counsel Leslie Strohm questioned the contract a week after it was announced, Tom immediately responded and indicated that a ULAA Board meeting to discuss the facts of the contract could be held in a matter of days.<sup>4</sup>
- We understand that adidas will let Louisville out of the contract if it wishes, so we're not sure why there is a concern about the new terms.

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<sup>4</sup> See memo from Tom Jurich to Leslie Strohm dated, attached.

- Tom was never asked to seek ULAA Board approval for contracts such as this, and if governance practices were changing, it would only be fair to advise Tom and allow him a chance to operate under new parameters.

Financial Terms of adidas Contract. It is unclear why attention is being drawn to the approval process for the adidas contract. Is it intended to imply that there is something wrong with the agreement or that it was not a good agreement? Many schools have endorsement arrangements that do not involve any cash payments to the school. In exchange for being the recognized uniform provider, the athletic apparel company provides uniforms for certain sports, often just the prominent sports, and nothing or little more. UofL's adidas contract does much more for UofL:

- It provides for payments to UofL staff as part of a personal services endorsement contract. The payment to Rick Petino has been in place since he joined UofL, is a common practice, is money UofL would otherwise have had to pay to him, and is in recognition of his commercials, camps, speaking engagements and other support of adidas.
- In addition to providing uniforms for football, men's and women's basketball, and baseball, adidas provides uniforms for all other sports, to the tune of \$2.6 million in uniforms for those additional sports.
- It provides funding for the extremely popular intern program, which has generated lots of applicants to UofL.
- It provides a significant annual minimum royalty payment.
- The newly negotiated agreement provides \$15 million of funding for the expansion of the football stadium over the next three years. Given UofL's financial circumstances, this is a significant amount and would be hard to replace.

#### Tom's Compensation.

Tom joined UofL in 1997, when only 44 athletes had a 3.0 GPA. This rose to 164 in 2005, 288 in 2008, and 400 in 2011, when UofL athletes had attained a 60% graduation rate.<sup>5</sup> Tom worked tirelessly to provide adequate support to all sports, especially women's sports, and to upgrade facilities for all sports, so that all student-athletes would have what they need to succeed both in their sport and academically.<sup>6</sup> Tom facilitated fundraising and financing of \$280 million in new sports facilities. Tom also worked hard on fundraising outside of athletics, including helping secure a \$32 million donation from Owsley Brown unrelated to athletics. Despite a provision added to his Foundation Employment Agreement providing for Tom to receive a one-half of 1% (0.5%) "bonus" based on donations like Mr. Brown's, Tom never asked for that term in his agreement and never accepted any payment.

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<sup>5</sup> See *Athletic Director Tom Jurich*, UofL Magazine excerpt, 2006-2007.

<sup>6</sup> Kristi Dosh, *Louisville: Setting the Standard*, @sportsbizmiss, 2011.

- The *Courier-Journal* stated on Sunday October 8<sup>th</sup> that Tom's pay was first broken down in the forensic audit of the University of Louisville Foundation. This is not true. The *Courier-Journal* reported Tom's salary as 3<sup>rd</sup> and 2<sup>nd</sup> highest in the nation in 2011 and 2015, and his pay has been reported numerous times by the *Courier-Journal*, *USA Today* and other media.<sup>7</sup> His contract has been provided in response to open records requests many times. It is common knowledge that his pay is among the highest of college AD's.<sup>8</sup> The *Courier-Journal* noted in 2015 that it may not surprise its readership that Tom is the second highest paid AD.
- Tom's is one of the highest paid AD's because of his success. As Eric Crawford stated in his article on October 9<sup>th</sup>, "he got the University's athletic program onto the last lifeboat in college sports" -- i.e., membership in the ACC.<sup>9</sup> And that is only one of Tom's most recent major achievements.
- The *Courier-Journal* reported that Tom's pay last year was \$5.1 million, and that a large portion of this was earned over "several" years. The *Courier-Journal* knew that \$3.5 million of the \$5.1 million was deferred compensation earned over 12 years. Few readers would understand "several" to mean 12 years, leaving an impression of a higher annual payout than was actually the case.
- Tom has been recruited for all major AD jobs that have come open. UofL enhanced Tom's contract on a number of occasions to recognize the unprecedented accomplishments in UofL athletics and as a way to be sure Tom would be retained at UofL.
- UofL has not paid Tom too much when measured by his accomplishments. Eric Crawford said this well in his article on October 9, 2017, enclosed.
- Tom was promised many times that his contract would be re-written to simplify it and update it to current best practices. Tom was promised this would be done by January 2015, and early 2017 he was told it would be done over the summer. Tom did not request or come up with the numerous compensation items in updates to his agreement, most of which have been in the contract for a long time. In 2007, the last time the agreement was restated, it was common to have many complex types of compensation.<sup>10</sup>

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<sup>7</sup> C.L. Brown, *Jurich is third-highest paid AD*, *Courier-Journal*, October 6, 2011. Jonathan Lintner, *Cards' Jurich nation's second-highest paid AD*, *Courier Journal*, January 6, 2015.

<sup>8</sup> Steve Berkowitz, *Departing USC AD Pat Haden made 2.9 million in 2014*, *USAtoday.com*, May 17, 2016. Tully Corcoran, *Perkins due \$600k bonus in 2011*, *cjonline.com* (the Topeka Capital-Journal), June 11, 2010, noting that Kansas athletic director Lew Perkins earned \$4.4 million in 2009. Excerpt from Athletic director salary database, *USAtoday.com*, March 6, 2013.

<sup>9</sup> Eric Crawford, *It's complicated: Tom Jurich's Louisville legacy*, *WDRB.com*, October 9, 2017.

<sup>10</sup> See excerpt from Jodi Upton and Steve Wieberg's, *Contracts for college coaches cover more than just salaries*, *USA Today*, November 16, 2006.

UofL is not Subsidizing Athletics When All Facts are Taken into Account.

- UofL has provided some funds for athletics, but athletics provides more funds back to UofL.<sup>11</sup> Also, membership in the ACC has brought millions of economic benefits to the city of Louisville.
- Even if UofL were spending millions on athletics, it is a much smaller amount than would likely be spent if UofL had not joined the ACC, which was made possible in no small part by Tom's leadership and record.<sup>12</sup> In a recent article, *It's complicated: Tom Jurich's Louisville legacy, and future*, Eric Crawford has a much more factually correct depiction of ULAA's finances and Tom's tenure. Eric notes "What UofL invested in Jurich, it got back, many times over". As Crawford further notes, Jurich took over "a program that had a budget of less than \$30 million, no major conference affiliation, basketball probation, a one-win football team, a Title IX problem waiting to happen, few adequate facilities and a basketball program on probation and facing major NCAA violations".
- If UofL would charge in-state tuition for scholarship athletes (which tuition ULAA pays), the athletics department could drop the \$50 student fee assessed on all students with their tuition, and could pay all the utilities for all athletic facilities, some of which UofL is now paying.

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<sup>11</sup> See *Review of Athletic Financials*, attached. See Op-ed by Larry Benz, *NCAA definition of Self-Supporting doesn't tell the Story of UofL Athletic Association's contribution to UofL*, attached.

<sup>12</sup> Eric Crawford, *It's complicated: Tom Jurich's Louisville legacy*, WDRB.com, October 9, 2017. (attached as fn 9)





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Joel Osteen Says Goodbye - Sad Day For Lakewood Church
Joel And Victoria Osteen Announce Their Resignation From The Church To Focus On
gospelage.com



POV | Consider Jurich's full body of work

Posted: Oct 10, 2017 10:57 AM EDT
Updated: Oct 10, 2017 4:00 PM EDT

There are a few powerful U of L board members who want Tom Jurich gone. That's no secret. In my opinion, it has a lot more to do with their egos than with what is right for U of L. No person in the history of the university has done more to build it into what it is today than Tom Jurich.

As Eric Crawford said in his WDRB.com column, "To tell the full story of Jurich, you need to consider what might have happened at U of L if not for the largely solitary work Jurich did to achieve what once was unthinkable - to gain U of L admittance into the Atlantic Coast Conference. There's been a lot of talk of finances in the past few days. I've heard zero talk about the cost of NOT getting in."

I believe there are board members who are willing to tear U of L down just to show how powerful they've become. It's all about them, not the university. A lot of people with their names on buildings at U of L are hoping the other members of the Board of Trustees won't be driven like mindless cattle, but will stand up to the powerful few and vote to retain Jurich when the time comes. I do too. I challenge them to consider Jurich's full body of work, before they decide if they want to show the door to the best athletic director in America.

What message would you send to the board if you could? Call and tell us.

I'm Bill Lamb, and that's my Point of View.

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Table with 4 columns: WDRB NEWS, WDRB-TV, PARTNERS, and WDRB.com. Contains various links and contact information.

VIA HAND DELIVERED

Memo to: Leslie Strohm  
Vice President for Strategy and General Counsel

From: Tom Jurich  
Vice President for Athletics

Date: September 1, 2017

Re: adidas Contract

In response to your August 31, 2017 letter regarding our recently completed agreement with adidas, I am confused. However, let me address that later. Please note my comments below addressing each of your questions.

1. Rick Pitino is the only University of Louisville coach who has a personal services agreement with adidas that affects our contract.

Adidas began to recruit Coach Pitino while I was recruiting him for our basketball coaching position in 2001. Coach Pitino was also pursued by other shoe companies who made offers to be affiliated with Louisville basketball -- but no other sports at UofL -- with proposals that far exceeded the money that adidas was offering. In my negotiations to attract Coach Pitino, I had to speak with a representative of Nike about his shoe and apparel affiliation because he had a long-standing agreement with that company.

Coach Pitino discussed with me and I explained the importance of our athletic department to have one shoe company in order for us to meet gender equity requirements and to comply with the terms of Title IX. Coach Pitino listened and agreed to a contract with adidas to help the university. He entered into an agreement with adidas for less value than significant other offers he was fielding.

Until this past year, all coaches and staff were required by the NCAA to complete an outside income report to be certified by the president. The NCAA eliminated this reporting requirement in 2016. All UofL presidents including Dr. Shumaker, Dr. Garrison and Dr. Ramsey have signed off on all outside income agreements for all UofL athletics employees. Coach Pitino is engaged in a multiyear personal agreement with adidas.

UofL Athletics is not the custodian of the personal services agreement between Coach Pitino and adidas. It includes obligations he must meet outside the University. Adidas provides us documentation for each payment made to Coach Pitino.

The incentive bonus plan outlined in Exhibit B was developed by adidas. adidas sets the bonus marks based on market value for exposure of a particular championship. The bonuses are paid directly from adidas to the university, and are then paid through university payroll to the individual per terms of their employment contract. It is not a bonus paid directly to a coach over and above their employment contract.

2. The activation money is set aside annually. In collaboration and mutual agreement with adidas and UofL Athletics, Julianne Waldron prepares an annual strategic marketing plan that we, as a partnership, plan to pursue. Considered joint monies, adidas and Julianne review and make final decisions on how the funds are to be allocated. As described in the enclosed booklet, we term each item as activation and every element affects brand growth.

Such marketing initiatives include, but are not limited to, local, regional and national advertising; branded environments in new facilities; and career development for all students through our adidas internship program (as I have described in ULAA board meetings which you have attended as an ex-officio member).

To address your question directly, adidas has agreed to fund \$1 million annually toward brand marketing. In addition, \$2 million in each of the first three years of the agreement will be toward branded environments and future technology in our football stadium expansion (\$6 million total toward the expansion).

3. The product outlined in Section 5 A will be allocated to each of our 23 sports programs for shoes and apparel for practice, game and travel. Coaches are included in this allotment and they are provided gear for practice, game, travel and recruiting. Any of our staff that may receive apparel or shoes from our adidas allotment are wearing the gear as representatives of our athletic department, as a brand extension of adidas and each person is personally taxed on the product.

We also supply adidas gear to our pep band and spirit groups, and have previously provided an allotment to the marching band and university offices of the president, admissions, janitorial staff, alumni association, advancement and other areas.

We do not anticipate extensive additional purchases from adidas. However, the agreement provides a mechanism for additional purchases, if needed, as it has in our previous contract.

4. The royalty figures referenced in the agreement are a minimum guarantee from adidas for royalties that are paid to athletics through IMG Collegiate Licensing, our representative which manages our licensing program. For example, if adidas' portion of our licensing revenue should fall below \$450,000, they would pay the balance to IMG Collegiate up to that guaranteed figure.
  
5. I have always been an individual who looks to the future to address our budget and assure we are providing every sport and every student-athlete the opportunity to compete at the highest level. This could be NCAA Championships or even the Olympics. To do this, we have to be aggressive in pursuing new opportunities. In my position, you cannot be reactive. We have to be proactive and progressive in our pursuit of new opportunities. In recent years, this has included pursuing our new affiliation with the ACC and new agreements with IMG Collegiate Licensing and Learfield. We cannot continue to depend solely on ticket revenue to balance our budget.

Kevin Miller begins each fiscal year by developing a "zero-based budget." This includes having meetings with coaches, managers, university personnel, and workshops for the last 12 years with ULAA and BOT members. It is an all-inclusive process to assure everyone is a part of the development of the annual budget. They are open meetings.

The adidas money was provided to UofL to enhance our student-athletes. It was our mandate with those funds to assure that we provide the best coaches, support services, student welfare, nutrition, strength and conditioning, leadership, professional development, academic support, facilities and resources to furnish our student-athletes with a championship experience.

Our budget is unique within the university setting in that we incur expenses that increase at rates annually that are higher than the annual rate of inflation. Expenses such as financial aid, travel, medical insurance for student-athletes, game guarantees, and liability and other insurance coverage are examples of expenses that other departments with UofL do not incur and we have no ability to reduce.

Our goal in this agreement is to apply \$15 million to the Papa John's Cardinal Stadium North End Expansion. A total of \$3 million in each of the first three years will come from Section 3 A. An additional \$2 million in each of the first three years will come from Section 4.B. These payments will begin in our next fiscal year as the financial components of this new amendment begin July 1, 2018.

I have attached a presentation which addresses student fees and utilities that we made to Dr. Postel in April. We also made a presentation to the ULAA Board in April and distributed the attached report to ULAA members for their review. We have outlined why the student fee is justified and explained the Board of Trustees action that made the fee permanent in February 2007. The fee relates to more than just athletics. It was a university commitment to the students. The university and athletic program have fulfilled their obligations to continue this fee. One remedy that Dr. Postel has suggested was that we sell the allotted student tickets at our venues to the general public. However, we value having our student body attending our games and we would be opposed to that. The tickets and their location were a part of the student fee agreement.

Obviously, the additional expense to the arena is one that we will have to address in our budget as we move forward. We were unaware that the full \$2,420,000 would go into effect this fiscal year and it has hurt us. We are currently addressing this internally and reallocating current budgets to generate the funds for this new expense.

Kevin informed me of the plan that ULAA Board of Directors member Larry Benz proposed to you and Dr. Postel last week relating to charging "In-State Tuition" to all of our student-athletes, which many of our peers do. We would be willing to evaluate a proposal that (1) reduces tuition for all student-athletes to be charged the in-state tuition rate, (2) remove the \$50 student fee and (3) move utility charges to the athletics budget. That would be the only mechanism in which we could reallocate such existing charges and maintain our commitment to remain a nationally competitive sports program. I think this is a terrific opportunity for a win-win-win: a win for the students, a win for the university administration and a win for the athletic department. That is a wonderful concept.

I would like to point out a few additional items. Athletics has been a team player in working within the university framework. A few recent examples of which you may not be aware include:

- (1) The Student Activities Center renovation is proceeding and we have been advised that there is a lack of funds. It was decided not to enhance the east entrance of the SAC. Our staff evaluated and proceeded with upgrading the entrance. It will look great when completed. The cost for the upgrade is approximately \$60,000.
- (2) The overhead and maintenance cost for the natatorium is to be paid by physical plant. Cleaning and painting needs to occur on ceiling and walls, as the facility is over 10 years old. Chlorine and other chemicals have really taken a toll on the

appearance. We are still trying to finalize the cost (since February) but it appears the cost will be approximately \$500,000.

- (3) Again, regular overhead and maintenance on facilities is an expense of the physical plant. Lights at the track field stadium in Cardinal Park have been declared unusable. We have taken three poles down and another three need to be replaced as well. The cost to replace is approximately \$750,000. We are in process of finding funds to replace the existing structures. Physical plant cannot provide funding in this area and we are in the process of determining potential funding options for this project.
- (4) We have agreed to subsidize a student trip to the Purdue football game this weekend. We are covering half of the cost of the bus trip to Indianapolis and providing the tickets at no charge.

The above are just a few of examples where we are being proactive to help the University.

As you suggested, I am prepared to meet with the ULAA Board as soon as possible. If we provided appropriate notice today, we would be ready with any documentation necessary to meet at any time Tuesday, Sept. 5, with the exception of a prior lunch commitment from 12:30-2 p.m. Please feel free to call this meeting and I would be glad to discuss all of the above and the attachments with the full board. I will remind them that we gave them an update at our January meeting about adidas' visit to our campus in November 2016 .

In closing, I am befuddled to learn that you or no one in Grawemeyer Hall were aware or without knowledge of this historic agreement. As demonstrated in the aforementioned narrative and the enclosed materials, we could not have an agreement without the effort of many, including that of the administration. I am confused because many were intimately involved in this process including Dr. Postel's chief of staff (David Adams), communications director (Becky Simpson and other university communications directors) and university attorneys appointed by you that did not just craft language, but were instrumental in the negotiations, writing, providing regular updates and producing the finished agreement (Pete Stavros and Board of Trustees/former UofL Foundation attorney Craig Dilger, both of whom did a phenomenal job).

We are indebted to you and your team for their tenacious efforts and unwavering support for nearly the last year. Because of your leadership and deference to Pete and Craig, we synchronized every step of our negotiation period, every line of our documentation and every solution-based conversation with adidas effectively. They masterfully handled this process through at least 11 meetings, including several with adidas North America representatives at their headquarters in Portland. Because of your counsel and the unbelievable effort of your appointed team, we were successfully advised and could not have realized this remarkable achievement for our university without them.

Dr. Neville Pinto's vision for growth, the Institute for Product Realization (IPR), and adidas' future role in it, was integral to the depth of our final agreement. Adidas was so impressed with this vision and university commitment, that they sent not only their US team, but also their Global leadership team from Germany to Louisville to see the success of First Build, meet Chip Blankenship (president of GE Appliances at the time), and learn from their open-source success. Moreover, Dr. Pinto's verbal and written commitment to Mark King, president of adidas, that offered lease-abated space on Arthur Street and an innovation partnership in the IPR, was a game-changing display to adidas that Louisville stood for something different.

This agreement has the power to change lives. Together with Dr. Pinto, we discussed a joint vision at a strategic planning meeting in November 2016. In addition to Dr. Pinto and David Adams, I was joined by Bob Gunnel, president of Boxcar, the senior leaders from adidas Strategic Partnerships, adidas Futures and adidas' top industrial designers from Brooklyn, Portland and Germany. At that gathering, we discussed our joint vision -- to take what was once considered "an equipment contract" and make it into a catalyst for our university, an economic driver for our community and a model for product innovation, educational opportunity and brand growth.

Following that strategic planning meeting, we advised Becky Simpson and the Office of Communications and Marketing of the prospective opportunity for the institution and the key elements as displayed in the enclosed strategic planning book. Further, Lee Smith has worked with our staff on plans to occupy the space in the building on Arthur Street. Every area described in the strategic workbook are activation elements that are re-investments of the financial gains in the partnership -- from cash to product to marketing. Each element is critical to the overall success of our combined vision.

Subsequent meetings and a series of planning discussions, led us to a final vision statement and strategic planning architecture. That collaboration is enclosed in this package. We are replicating this success by partnering with other worldwide leaders in sport performance technology such as Catapult, P3 and EXOS.

Adidas is world-class and is known for innovation and growth, which aligns with our values and aspirations. They have placed an incredible amount of trust in us. This historic partnership with adidas will be indelible for generations and has no limits for what we can become. I believe I have been a good steward of the financial benefits realized in all of our partnerships and will continue to honor my fiduciary responsibility by ensuring this athletic department soars.

Given all of this collaboration with so many in Grawemeyer Hall, hence my confusion. We would hope that a few affiliated within our university would share the same level of excitement that we and so many of our supporters across this nation have expressed. How disappointing.

Sincerely,

Tom Jurich  
Vice President and Director of Athletics

Cc: Interim President Gregory Postel





# Athletic Director Tom Jurich



*Amazing. Incredible. Model program. Unbelievable. Doing it the right way. Stable and Astounding.*  
Many across the nation have used those words to describe the positive, upward direction the University of Louisville

athletic program is progressing under Tom Jurich, who enters his ninth year at Louisville and his 17th as a Division I athletic director.

From facilities to gender equity, from community involvement to national leadership, Jurich's actions prompted one state media outlet to recently write that "It all shows yet again that the hiring of Tom Jurich, the architect of this Louisville emergence, as U of L AD in the fall of 1997 stands as one of the most significant events in our state's modern sports history." After just eight years working his constructive efforts, he was inducted into the state of Kentucky Athletic Hall of Fame in 2006.

U of L took a dramatic step toward maintaining that upward trend by signing Jurich to an unprecedented contract extension in August of 2002 that will keep him with the Cardinals through 2016. In an unprecedented appointment, he was named Vice President for Athletics at U of L in 2003.

"Tom is an energetic leader," said U of L President Dr. James Ramsey. "He has the advantage of being able to see the world of collegiate athletics from the viewpoint of a coach, an administrator, an athlete and a parent because he has worn all of those hats in his career. He has the vision to create a model program, assemble an ambitious group of talented coaches and staff, build world-class facilities and create educational as well as championship opportunities for hundreds of student-athletes. He is committed to creating a forward moving, competitive and compliant culture that reflects well on our university."

Since Jurich was named Director of Athletics for the Cardinals on Oct. 21, 1997, there has been an unmatched flurry of activity on the U of L campus and Louisville area since his arrival.

"The pride and passion this community has in our athletics program inspire me to do my absolute best every day," said Jurich. "This department and I have grown together significantly at a rapid pace. We have many building blocks in place but have so much to accomplish. I feel very privileged to be in this position."

Jurich continues to push U of L to the forefront of college athletics, turning heads while quickly guiding major changes in the face of Cardinal Athletics including:

✓ Engineering U of L's historic move to the Big East Conference, which has a long-term relationship with the lucrative Bowl Championship Series. This is the Cards' second year in the league.

✓ Attracting sixth-year men's basketball coach Rick Pitino to U of L, a move many deemed impossible. Pitino's arrival has energized the Cards' tradition-rich program and quickly restored it to a position among the nation's top teams. U of L capped a 33-5 record in 2004-05 by returning to the Final Four for the first time in 19 years.

✓ Taking a major step in achieving gender equity, upgrading funding and support staff for existing women's programs while adding four new sports — softball, golf, rowing and lacrosse (in 2008). Jurich's efforts also moved field hockey, women's soccer and baseball to fully-funded programs. He received the Citizens for Sports Equity 2000 Sports Leadership Award and was honored as the Louisvillian of the Year in 2005 by the Louisville Urban League Guild.

✓ Hiring football coach Bobby Petrino. Petrino is the architect of four different teams which led the nation in total offense. He quickly molded U of L into a national force, achieving top 20 national rankings in each of the last three years.

✓ Addressing multiple facility needs, including an extensive sports park to serve as a front lawn for the University. Owsley B. Frazier Cardinal Park features Ulmer Stadium (softball), Trager Stadium (field hockey artificial surface field), a soccer field surrounded by a state-of-the-art track, fitness trail, outdoor basketball and sand volleyball courts and a playground. Three new facilities opened in 2005: Jim Patterson Stadium (baseball), Ralph Wright Natatorium and the Trager Center indoor fieldhouse.

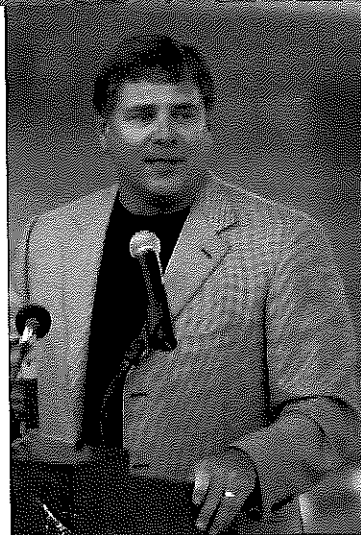
✓ Strengthening U of L's athletic administration by enlarging the compliance department with the school's first associate athletic director for compliance and adding the school's first female associate athletic director/senior woman administrator.

✓ Placing U of L on the cutting edge of sports medicine with a comprehensive partnership with Louisville's world-renowned Jewish Hospital.

✓ Bolstering the community outreach arm of U of L athletics, developing CardsCare and CardsFIT to promote student-athlete community involvement.

✓ Academic success has risen dramatically during Jurich's watch as well. Honorees on the Commissioner's Honor Roll (cumulative 3.0 GPA or better) rose from 44 in 1996 to 164 in 2005. Those earning recognition on the U of L Athletic Director's Honor Roll (3.0 or better grade point average for a semester) increased to 288 for the 2008 fall semester, a figure which represents half of the total students involved in U of L Athletics.

Jurich has been active in the scope of college athletics on a national level, within conference issues, and in his local community. He served three years as a member of the NCAA Management Council, one of the top



legislative bodies of the NCAA, and the NCAA Division I Baseball Committee. He sits on the Board of Directors for Republic Bank, Willpower Foundation and American Heart Association.

Jurich recently received the Louisvillian of the Year Award by the Louisville Ad Club and the Dan Mangeot Memorial Award, for contributions to the advancement of tourism and hospitality.

Guiding Colorado State University as its athletics director for the four years prior to his arrival at U of L, Jurich oversaw not only one of the most successful time periods in the school's history in terms of on-field competitiveness, but he was the driving force behind a successful capital campaign drive that included facility renovation.

Prior to his constructive efforts at Colorado State, Jurich operated as director of athletics for eight years at his alma mater, Northern Arizona University. When appointed at NAU, he was the youngest director of athletics at the NCAA Division I level at the age of 29.

He became athletic director at Northern Arizona in 1988, after previously serving as co-director (1986-88) and assistant director ('84-86). He was inducted to the NAU Sports Hall of Fame in 1989.

Jurich is among the finest football players in Northern Arizona history. A punter, placekicker and backup quarterback for the Lumberjacks, Jurich earned first-team Kodak All-America honors in 1977 — the first collegiate kicker to make the Kodak honor list — and also received All-America acclaim from The Sporting News. He is the only kicker in Big Sky Conference history to be named the league's offensive player of the year (1977).

A 10th-round NFL draft pick of the Pittsburgh Steelers, Jurich later played with the Minnesota Vikings before a brief coaching stint at the University of Minnesota.

He and his wife, Terrilynn, a former Miss Wyoming, have four children: sons Mark, an outfielder in the Atlanta Braves organization, and Brian; and twin daughters, Haley and Lacey.

With Legal Expert Kristi Dosh  
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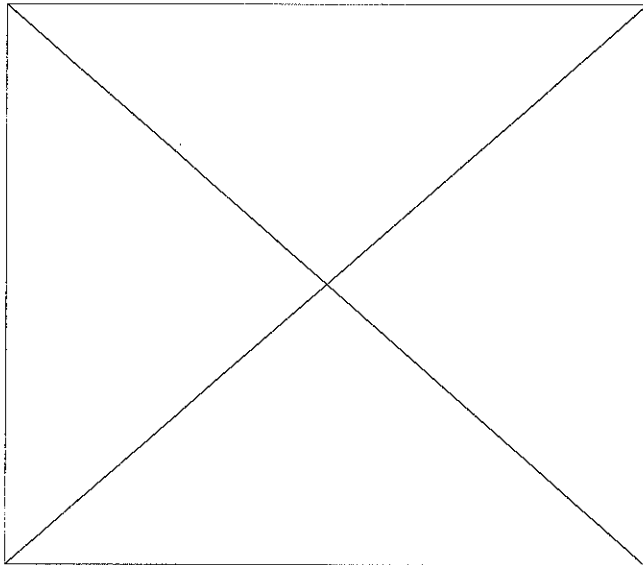
## Louisville: Setting the Standard

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Miss Sportsbiz talks Louisville!

A funny thing happened while I was research SEC football profits a couple of weeks ago. I came across an article stating Louisville men's basketball was the 21st most profitable sports program in the country. The first twenty were all college football programs, and Louisville had finished ahead of strong on-the-field programs like USC and Oregon.

I had no idea that researching the Louisville men's basketball team would lead me to discover the hidden gem in college athletic departments, but that's exactly what Louisville turned out to be.

First, let me clarify that the men's basketball team was the 21st most profitable program during the 2009-2010 season - before they played in the new arena. I can tell you that so far this season, in the new arena, the men's basketball team has already generated \$2.6 million more than projected for the season. In fact, they had already reached their projected revenue before Big East play began.

It's not just the men's basketball team doing well, however. The women's basketball team is flourishing as well. They're number two in the nation in terms of attendance this year, exceed only by power-house program Tennessee. The Louisville women are drawing over 10,000 fans per game on average. That's more than the average for all but seven of the SEC and ACC men's programs! Demand has been so high, Louisville is currently considering opening up the upper deck to allow more than the 11,000 fans they generally accommodate for women's games.

It's not just basketball doing well either. In 2010, the football stadium was expanded from 42,000 to 55,000, and fans used the new seats on the way to averaging over 50,000 per game in attendance. Football ticket sales brought in nearly half a million dollars more than projected, and Louisville expects to see a surplus on its \$11 million budget for football once Big East distributions are received.

Even when major sports like football and basketball do well, however, not all schools turn a profit in

their athletic department, as you saw with the SEC financial data I wrote about a couple of weeks ago. Louisville did though. For the 2009-2010 school year, Louisville's athletic department turned a profit of over \$2 million. Having recently researched profits in the SEC and Big Ten, I can tell you that is more than Auburn, Mississippi State, Ole Miss, South Carolina, Northwestern, Minnesota or Illinois.

Why is Louisville so successful? I asked their Athletic Director, Tom Jurich, and he was quick to tout his school's accomplishments in the Title IX arena. Title IX compliance was an issue when he took the AD job thirteen years ago, but not anymore. He endeavored not just to resolve their issues, but to become a leader in college sports in terms of Title IX, and he's done just that.

What really struck me in our conversation, however, was when he told me that every single men's and women's sport at Louisville has a new stadium/arena/playing field in the past ten years. The only exception is the football stadium, built in 1998, which was expanded just last year. Plans are currently being developed for a new soccer field and both the baseball and softball stadiums will be expanded in the near future.

Not only is that impressive, but each facility (with the exception of the new basketball arena, which was a joint venture with the City of Louisville) was constructed solely using private funds. Not one dime has been taken out of the athletic department to construct the facilities. Instead, Louisville has done something that perhaps no other school has mastered at the same level. They've sold naming rights.

When funds were first being raised for the new football stadium in 1996, Papa John's donated \$5 million for naming rights through 2033. When the stadium needed to be expanded recently, Papa John's kicked in another \$10 million, extending their naming rights through 2040. The stadium is the only school-owned stadium in the country with seatback chairs at every seat. In addition, the school has sold naming rights to a couple of spaces within the stadium: the Brown & Williamson Room and the PNC Room. These areas are used for games but also for private events such as corporate meetings and even weddings.

Naming rights were sold for the brand new basketball arena as well. Yum Brands, which owns KFC, Pizza Hut and Taco Bell, is paying \$13.5 million over the next ten years for naming rights. They also previously paid \$5 million in 2006 to put their name on the basketball practice facility. By comparison, the University of South Carolina only received \$5.5 million over twelve years from Colonial Life for the naming rights to their basketball arena. That deal is the only naming rights deal in basketball or football in the SEC.

While naming rights are commonly sold in professional sports, many universities think there are too many conflicts of interest to raise money for their facilities in this manner. Meanwhile, Louisville has been able to build all new, privately-funded facilities for each and every one of their men's and women's sports, while also excelling at Title IX compliance and turning a profit in the athletic department.

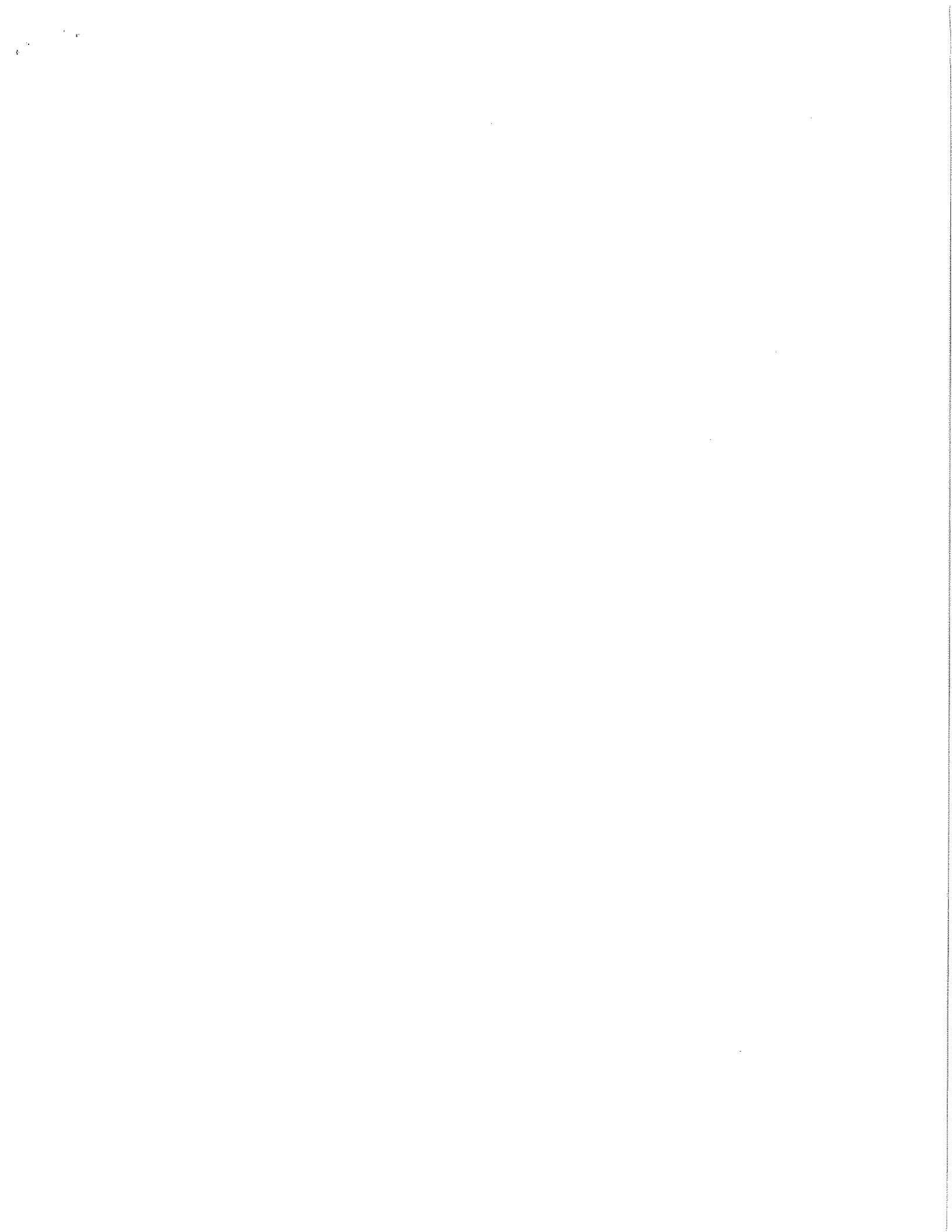
The real gem at Louisville, if you ask me, is AD Tom Jurich, under whose direction all of this has blossomed during his thirteen-year tenure. Louisville is truly setting the standard all other universities should aspire to achieve.

*A special thank you to AD Tom Jurich for taking the time to speak with me. Also, for some of the best coverage of Louisville athletics, check out [Eric Crawford of the Courier-Journal](#), whose articles provided me with some of the great data for this piece.*

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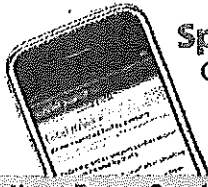
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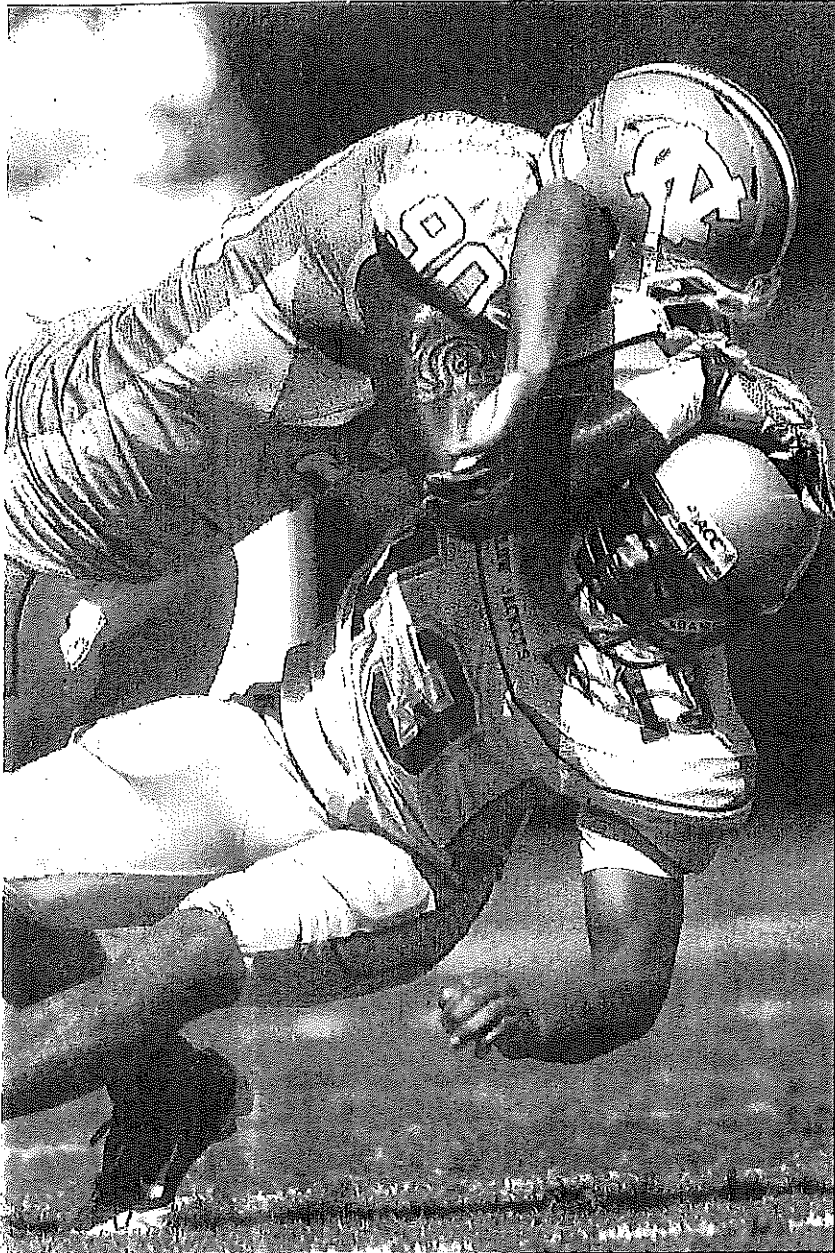


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# Jurich is third- highest paid AD

## Trails only Vandy, Florida head men

By C. L. Brown

[cbrown@courier-journal.com](mailto:cbrown@courier-journal.com)

The Courier-Journal

The University of Louisville's Tom Jurich is one of the highest-paid college athletic directors in the country, according to a survey by USA Today.

Jurich, who has been at U of L since 1997, is guaranteed more than \$1.4 million for the 2011-12 fiscal year, with the possibility of more through incentive-based bonuses. Only Vanderbilt's David Williams (\$2.5 million) and Florida's Jeremy Foley (\$1.5 million) are paid more, USA Today said, and Foley's figure includes a retention bonus payment.

Jurich's most recent contract with the U of L Athletic Association, signed in 2007, currently pays \$484,993 in base salary and about \$380,000 in deferred annual income, according to USA Today. He also can make more than \$600,000 in bonuses. That contract was an extension of an agreement that began in April 2004.

ch quarterback Tevin Washington. The 6-foot-6, 290-pound senior  
, largely because everyone game-plans for him. JOHN BAZEMORE/AP

# O-line must with Couples

USA Today reported that Jurich also has a contract with the University of Louisville Foundation for fundraising services. That agreement, also dating to 2007, that pays him \$263,595 in base salary and guarantees that he will make at least \$300,000 of the bonuses in his athletic association contract.

Both deals run through July 26, 2023.

Attempts to reach Jurich and U of L President Dr. James Ramsey on Wednesday night were unsuccessful. However, Ramsey released a statement to USA Today trumpeting Jurich's accomplishments, starting with improved facilities and highlighted by last year's expansion of Papa John's Cardinal Stadium and the opening of the KFC Yum! Center.

"The University of Louisville wants to keep Tom Jurich as its Athletic Director; he is doing an outstanding job," Ramsey said. "... Its graduation rate for student-athletes is 60% or better. The number of sports-teams with 3.0 GPA is the highest ever (including its men's basketball team). The number of student-athletes with a 3.0 GPA is nearly 400. The University has not had a major compliance issue during Tom's tenure. We could go on, but bottom line, Tom Jurich has been excellent."

85 THURSDAY, OCTOBER 2011

## JURICH: Ranks third on pay list

Continued from Page C1

Jurich played a major role in overseeing the Cardinals' transition from Conference USA to the Big East and will play a critical role in where the program ends up with the conference landscape going through another realignment.

Since his hiring, U of L's athletic revenue has increased dramatically. The year before Jurich took over in 1996-97, U of L's athletic revenue was \$17.6 million. It generated a record \$74.9 million during the 2010-11 fiscal year, thanks in large part to the KFC Yum! Center and the football stadium expansion.

Jurich has more than \$100,000 in potential bonuses tied to athletes' academic performance. He also gets bonus money for performance on the field, including \$22,500 for any football bowl appearance or an NCAA Tournament appearance in any sport.

If he remains at U of L through next June 30, he will be vested in an additional retirement benefit of \$20,000 per year for 10 years beginning at age 60. If he stays through June 30, 2016, he will be vested in another retirement benefit of \$160,000 per year for 10 years that also begins at 60.

By contrast, Kentucky athletic director Mitch Barnhart has a base salary of about \$600,000 and a \$50,000 annual retention incentive.

## MILLIONAIRE AD'S

According to USA Today research, these athletic directors at Football Bowl Subdivision schools all will make more than \$1 million for 2011-12, not including potential performance bonuses.

AD	School	Earnings
%-David Williams	Vanderbilt	\$2,560,505
#-Jeremy Foley	Florida	\$1,545,250
Tom Jurich	Louisville	\$1,427,704
DeLoss Dodds	Texas	\$1,095,756
Gene Smith	Ohio State	\$1,058,546
Barry Alvarez	Wisconsin	\$1,040,800

%-Williams is vice chancellor for university affairs and athletics; general counsel and university secretary for school and its medical center; and a tenured law professor. His salary is from a 2009 tax record that includes all forms of compensation.

#-Foley's pay includes a retention bonus of \$550,000 if he stays employed through Jan. 31.

## Cards' Jurich nation's second-highest paid AD

Jonathan Lintner, @JonathanLintner 10:34 a.m. EST January 6, 2015



(Photo: Alton Strupp/The Courier-Journal)

That Tom Jurich is the nation's second-highest paid athletic director in the country, given what he has built at the University of Louisville, may not surprise you.

That Vanderbilt's David Williams is the only one ahead of Jurich, making more than double of any of his peers, just might.

A list published last month by [Worthy.com](http://worthy.com) was passed around social media this week (<http://worthy.com/richest/20-highest-paid-athletic-directors-college-sports/15/>) by U of L fans supporting their athletic director. Jurich, whose title is actually Vice President for Athletics, earns \$1.41 annually, whereas Williams hauls in \$3.23 million.

Worthy.com's findings match those of previous athletic director salary databases, such as ones published in 2013 by [Business Insider](http://www.businessinsider.com/the-20-highest-paid-athletic-directors-in-college-sports-2013-3#2-tom-jurich-louisville--1411915-19) (<http://www.businessinsider.com/the-20-highest-paid-athletic-directors-in-college-sports-2013-3#2-tom-jurich-louisville--1411915-19>) and [USA Today](http://sports.usatoday.com/ncaa/salaries/all/director) (<http://sports.usatoday.com/ncaa/salaries/all/director>).

So, we know how U of L justifies what it pays Jurich, who since 1997 has seen a rise in the Cardinals' competitiveness, academics, facilities and league. But what about Vanderbilt's Williams?

He "has implemented a full initiative for his student-athletes to experience all that the school has to offer, allowing more overseas travel and study for athletes, helping the GPA of those players to improve since initiated," wrote [Worthy.com](http://worthy.com)'s Nick Dimengo. "...With old money, a private institution and solid strategy in place, David Williams has taken Vanderbilt athletics to a place other schools are still trying to strive for — which is why he makes \$3.23 million per year."

Rounding out the top-five of Worthy's list were Florida's Jeremy Foley (\$1.23 million), Wisconsin's Barry Alvarez (\$1.23 million) and Nebraska's Shawn Eichorst (\$1.12 million).

### IN THE C-J

- How does the Kentucky basketball team prevent itself from becoming complacent during SEC play? That's easy, at least with Tyler Ulis and Devin Booker pushing the Cats off the bench ahead of tonight's game against Ole Miss. (<http://ciky.it/1AqiHP3> (<http://ciky.it/1AqiHP3>))
- U of L fans learned of another early departure Monday when safety James Sample announced his intention to declare for the NFL draft. But Cards beat writer Jeff Greer noted that "there is plenty of talent in the pipeline, even if there's a relative lack of experience." (<http://ciky.it/1tKIN11> (<http://ciky.it/1tKIN11>))
- A Trinity-St. Xavier basketball ticket might be tough to get this year. The game is moving to smaller Broadbent Arena this Friday from its usual Freedom Hall destination because of a scheduling conflict. (<http://bit.ly/1Ki27X1> (<http://bit.ly/1Ki27X1>))

### AROUND THE WEB

- in his look at 10 underrated/overrated things so far this college basketball season, ESPN's Jeff Goodman on Monday listed UK point guard Andrew Harrison in the latter category. "Andrew Harrison isn't the primary reason for the team's success," Goodman wrote. "He's a good, solid player, but not the star that people built him up to be." (<http://es.pn/1AqvUfB> (<http://es.pn/1AqvUfB>))
- The Raleigh News & Observer picked up on a tweet posted after Sunday's U of L-Wake Forest basketball game about controversial official Karl Hess, who allegedly called an Atlanta hotel manager out during the game and mentioned his ethnicity. (<http://bit.ly/1wjdX9V> (<http://bit.ly/1wjdX9V>))
- Former Churchill Downs track announcer Larry Collmus, calling a race Sunday at Gulfstream Park, announced an unintentionally funny stretch drive involving a horse named "Harass" that's earning some worldwide attention. (<http://bit.ly/1AINhM5> (<http://bit.ly/1AINhM5>))

Jonathan Lintner can be reached at (502) 582-4199. Follow him on Twitter [@JonathanLintner](http://twitter.com/jonathanlintner) (<http://twitter.com/jonathanlintner>).



# Departing USC AD Pat Haden made \$2.9 million in 2014

Steve Berkowitz, USA TODAY Sports Published 8:39 p.m. ET May 17, 2016 | Updated 12:54 p.m. ET May 18, 2016



(Photo: Kirby Lee, USA TODAY Sports)

The University of Southern California's soon-to-be departing athletics director, Pat Haden, was credited with more than \$2.9 million in total compensation during the 2014 calendar year, according to the university's new federal tax return.

The figure almost certainly makes Haden the nation's highest-paid college athletics director. It represents a more than \$400,000 increase over the total pay reported for him in 2013.

The new return — provided in response to a request from USA TODAY Sports — shows that Haden's total includes nearly \$1.4 million in base compensation and \$1.2 million in bonus pay.

Most of Haden's increase occurred in the bonus component of compensation, which had been \$900,000 in each of the past two years and \$800,000 in 2011. His base rose by about \$50,000 in 2014.



Football Four

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As a private school, USC is not required to make its employment contracts public.

Haden's total compensation for 2014 is almost \$300,000 greater than the sum of amounts recently reported for that year for Notre Dame AD Jack Swarbrick (\$1.605 million) and Duke AD Kevin White (\$1.04 million).

"Pat Haden's compensation was set by the president and approved by the compensation committee of the USC Board of Trustees," USC President C.L. Max Nikias said in a statement to USA TODAY Sports. "We believe that Pat Haden was the very best AD in America. He took a significant pay cut when he accepted my offer to become the AD at USC. He was a great administrator, excellent communicator and proved to be a great fundraiser.

"He inherited a very challenging athletics department with the harshest penalties imposed by the NCAA and did an outstanding job turning things around. The Trojan family was lucky to have him."

Haden left a private equity firm to become USC's AD in the summer of 2010, when the school athletics program was in disarray in a variety of areas, including NCAA sanctions against the football program. When Haden announced his retirement in February, Nikias issued a lengthy memorandum to the USC community that was effusive in its praise of Haden, saying in part: "Our campus now bears Pat Haden's stamp in perpetuity."

Haden is stepping down this summer and will be succeeded by former Trojans football great Lynn Swann.

Charlie Weis still raking in cash from Notre Dame. \$2.05M in 2014

In addition to the information about Haden, the document also shows that USC paid more than \$2.4 million in severance to former football coach Lane Kiffin, who was fired in October 2013, and that then-current football coach Steve Sarkisian was credited with total compensation of just under \$3.7 million. Sarkisian was fired in October 2015.

The return also provides the first look at the compensation of men's basketball coach Andy Enfield, who was hired by the school in April 2013. In his first full calendar year at USC, Enfield was credited with a total of just more than \$1.9 million, including \$1.55 million in base pay and \$124,500 in bonus money.

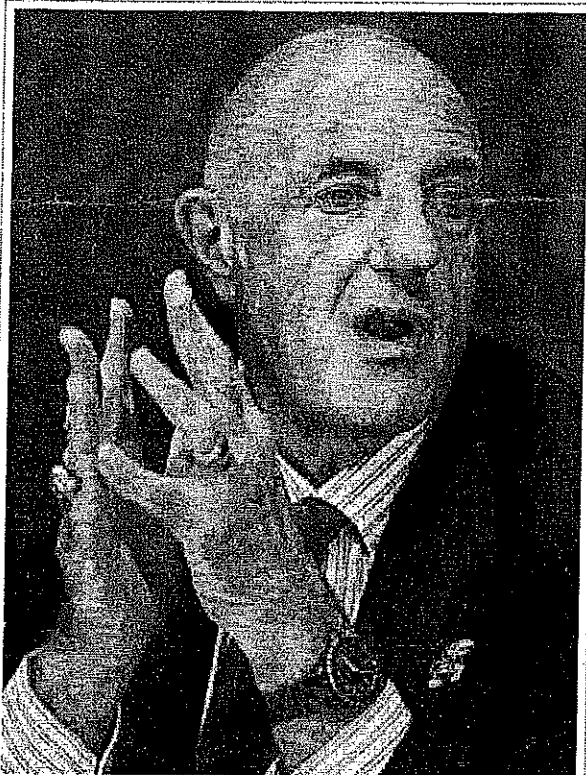
During the 2012-13 season, when he led Florida Gulf Coast on a run to the NCAA tournament round of 16, Enfield worked under a contract that included \$157,500 in base salary and a maximum of \$95,000 in incentives.

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## Perkins due \$600K bonus in 2011



Kansas athletic director Lew Perkins is in line for a \$600,000 retention payment if he stays on as athletic director until September 2011, as he announced he would Thursday.

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BY TULLY CORCORAN

Created June 11, 2010 at 5:01pm

Updated June 11, 2010 at 11:42pm

LAWRENCE — Kansas athletic director Lew Perkins is in line for a \$600,000 retention payment if he stays on as athletic director until September 2011, as he announced he would Thursday.

A 2008 amendment to Perkins' contract with KU stipulates he will receive a \$600,000 after-tax payment Aug. 1, 2011 if he remains AD through June 30, 2011. Perkins announced Thursday he was retiring, but not until September 2011. Perkins, 65, would be due another \$600,000 if he remained through 2013. Perkins announced Thursday his retirement would be effective Sept. 4, 2011.

If Perkins is fired without cause before July 1, 2011, KU would owe him \$300,000 for every year of service, beginning July 1, 2009. As of Friday, 19 days short of one year, that total would be \$284,380.

In combined salary and bonuses, Perkins earned \$4.4 million in 2009. His base salary is \$800,000 per year.

Amid the turbulence of conference realignment discussions across the college athletics landscape, Perkins continues to be a focal point of controversy in Kansas.

Among the issues surrounding him are accusations that Perkins accepted exercise and medical equipment for himself in exchange for basketball tickets; documentation showing the company that provided the equipment, Medical Outfitters, received a spike in business from KU after the installation of equipment at Perkins' house; and an ongoing investigation by federal law enforcement agencies into a ticket scam in which six former high-ranking

former Kansas Athletics employees were found to have been stealing football and basketball tickets and selling them for personal profit.

Kansas chancellor Bernadette Gray-Little said Thursday she was surprised Perkins had decided to retire. She said Perkins would stay on until the start of the 2011 school year to help Kansas navigate conference realignment and fix the priority points system he created in 2003.

"The idea was by making his presence here at this time, that he would be able to focus more clearly on the things he needs to do," Gray-Little said.

Former KU chancellor Bob Hemenway hired Perkins in 2003 to replace Al Bohl. Perkins' initial contract with KU was a six-year deal at a base yearly salary of \$500,000, plus a potential \$25,000 bonus. It also included a retention payment of \$1.3 million, which KU paid Perkins in 2009.

A series of amendments in the next five years boosted Perkins' bonuses and retention payments so that he was ultimately paid \$4.4 million last year.

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Get inside Washburn athletics and follow the Ichabods and Lady Blues with the Capital-Journal's Ken Corbitt.

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## 2013 Athletics Directors' Salaries


School	AD	Guaranteed by school		Total Pay	Max Bonus	Potential Total
		School pay	Other pay			
<b>Conference Big East</b>						
Cincinnati	Whit Babcock	\$364,000	\$0	\$364,000	\$327,500	\$691,500
Louisville	Tom Jurich	\$1,401,915	\$10,000	\$1,411,915	\$344,000	\$1,755,915
Noire-Dame (ND)	Jack Swobrick	\$1,026,942	\$0	\$1,026,942	\$0	\$1,026,942
Penn State	David Joyner	\$396,000	\$0	\$396,000	\$0	\$396,000
Pittsburgh	Steve Pederson	\$596,595	\$0	\$596,595	\$0	\$596,595
Rutgers	Tim Périatti	\$410,000	\$0	\$410,000	\$50,000	\$460,000
South Florida	Doug Wagonhard	\$479,657	\$14,000	\$493,657	\$2,507,500	\$3,001,157
Syracuse	Daryl Gross	\$570,057	\$0	\$570,057	\$0	\$570,057
<b>Conference ACC</b>						
Duke	Kevin White	\$906,536	\$0	\$906,536	\$0	\$906,536
Florida State	Randy Spetman	\$350,000	\$0	\$350,000	\$330,000	\$680,000
North Carolina	Bubba Cunningham	\$565,000	\$0	\$565,000	\$175,000	\$740,000
North Carolina State	Debbie Yow	\$500,000	\$0	\$500,000	\$546,000	\$1,046,000
Virginia	Craig Littlepage	\$582,760	\$4,000	\$586,760	\$100,000	\$686,760
Wake Florida	Ron Wellman	\$688,000	\$0	\$688,000	\$0	\$688,000
Clemson	Dan Radakovich	\$725,000	\$0	\$725,000	\$50,000	\$775,000
Georgia Tech	Mike Bobinski	\$625,000	\$0	\$625,000	\$0	\$625,000
<b>Conference SEC</b>						
Alabama	Mal Moore	\$600,500	\$0	\$600,500	\$208,500	\$809,000
Arkansas	Jeff Long	\$900,000	\$3,900	\$903,900	\$650,000	\$1,553,900
Auburn	Jay Jacobs	\$612,000	\$3,000	\$615,000	\$150,000	\$765,000
Florida	Jeremy Proley	\$1,233,250	\$0	\$1,233,250	\$50,000	\$1,283,250
Georgia	Greg McCurry	\$525,000	\$0	\$525,000	\$0	\$525,000
Kentucky	Mitch Barnhart	\$650,000	\$4,000	\$654,000	\$240,000	\$894,000
LSU	Joe Alkleva	\$725,000	\$0	\$725,000	\$100,000	\$825,000
Mississippi State	Scott Stricklin	\$182,000	\$268,000	\$450,000	\$0	\$450,000
Mississippi State	Ross Bjork	\$400,000	\$0	\$400,000	\$32,000	\$432,000
Missouri	Mike Alden	\$651,917	\$22,400	\$674,317	\$347,915	\$1,022,232
South Carolina	Ray Tanner	\$675,000	\$0	\$675,000	\$0	\$675,000
Tennessee	Daye Flarty Jr	\$817,250	\$0	\$817,250	\$0	\$817,250
Texas A & M	Eric Hyman	\$800,000	\$0	\$800,000	\$200,000	\$1,000,000
Vanderbilt	David Willhams	\$3,239,678	\$0	\$3,239,678	\$0	\$3,239,678. Includes \$2,009,952 in supplemental pay
<b>Other High-Paid Ads</b>						
Iowa State	Jamie Pollard	\$900,000	\$0	\$900,000	\$0	\$900,000
Kansas State	John Currie	\$537,500	\$0	\$537,500	\$247,500	\$785,000
Michigan	Dave Brandon	\$900,000	\$0	\$900,000	\$200,000	\$1,100,000
Ohio State	Gene Smith	\$1,099,030	\$0	\$1,099,030	\$250,000	\$1,349,030
Oklahoma	Joe Castiglione	\$1,000,000	\$0	\$1,000,000	\$760,000	\$1,760,000
UCLA	Dan Guerrero	\$715,211	\$0	\$715,211	\$75,000	\$790,211
Wisconsin	Barry Alvarez	\$1,143,500	\$86,500	\$1,230,000	\$0	\$1,230,000

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## CRAWFORD | It's complicated: Tom Jurich's Louisville legacy, and future

Posted: Oct 09, 2017 11:15 AM EDT  
 Updated: Oct 09, 2017 3:12 PM EDT

By Eric Crawford [CONNECT](#)

LOUISVILLE, Ky. (WDRB) – These days, getting a clear picture of anything at the University of Louisville is difficult, because it's hard to see through the smoke of the basketball program, in the words of Rick Pitino's attorney Steve Pence, "burning to the ground."

Perhaps nowhere is it more difficult to get a fair assessment than with athletic director Tom Jurich, who sits on paid administrative leave while his allies argue for him to be reinstated and his opponents pile up ammunition to cut him loose. An evaluation of his performance is scheduled for a board of trustees meeting on Oct. 18.

If you are into counting votes, you know that his prospects have never been great. But Jurich presents a complicated picture, and his legacy at the university is far larger even than his substantial contracts, outlined last week in a series of stories by The Courier-Journal.

The story on Jurich, in particular, focused on the financial benefits and perks of his contract in great detail, with another focusing on how the athletic department doesn't turn a profit. But when it came to discussing the value of the work Jurich has done for the university, there was little detail. That will be my goal here. To provide some perspective, looking at the pros and cons of the Jurich record.

"I don't get this love affair with Tom Jurich," C-J columnist Joe Gerth wrote in the newspaper. Most Kentucky fans would agree. But I'm surprised any journalist in this city would admit to it. To not agree with it is one thing. To not "get" it is another.

"Journalism is the first rough draft of history," Phil Graham, longtime editor of The Washington Post, once said. Still, you can't tell the story of the Civil War without spending a little time on Gettysburg, or World War II without D-Day. To tell the full story of Jurich, you need to dig deeper than dollars, and in fact, you need to widen your view, and consider what might have happened at U of L if not for the determined and largely solitary work Jurich did to achieve what once was unthinkable – to gain U of L admittance into the Atlantic Coast Conference.

This story is an attempt to explain that love affair – agree with it or not -- and set into perspective his accomplishments, and shortcomings.

I undertake this as someone who, until a phone conversation with Jurich last week, probably hadn't spoken one-on-one with the athletic director in a couple of years. Like many in the media, my contact with Jurich ran hot and cold.

I don't think he cared for a story I wrote about foundation spending on the athletic department. I had always had a positive relationship with Jurich until I started criticizing football coach Steve Kragthorpe. When Kragthorpe fired Jeff Brohm, I wrote a column listing people who were being blamed for football struggles. I was told the column made Jurich so angry that it ruined his vacation. I don't know if that's true. I never asked him. I do know that Rick Pitino was dispatched to talk to me. We met at a Starbucks near campus. "They think you have something against the department," he said. No, I just thought it was weak to fire Brohm. Jurich and I didn't talk for about eight months, until a Q&A we did at the end of Kragthorpe's tenure.

I only relate this to say that I write this as neither a friend or enemy of Jurich. But I have had a front-row seat to much of his time at U of L.

This also is an opinion piece. It presents a good many facts and figures. But in the end, it also reflects my opinion on the interpretation of these figures, and on events as they are unfolding at the university. And while a good portion of this discussion gets into the money issues raised in recent reporting, it all must be viewed from the perspective of what recent scandals have cost the university, a point taken up here at the end.

So let's get down to it. Financial information here is from the same [USA Today college sports financial database](#) used by The C-J in its reports.

**What is Jurich's U of L legacy? In brief, he has had more influence on the physical transformation of U of L's Belknap Campus than any figure in the university's modern history. Period.**

U of L's athletic facilities boom, which began with Cardinal Park after Papa John's Cardinal Stadium was up and running, and continued with new or renovated facilities for every sport in the department, paved the way for a larger campus population at U of L, which paved the way for commercial development around the campus.

It was Jurich who got Owsley Brown Frazier, Jim Patterson, Dan Ulmer, the Trager Family, Mark Lynn, Thornton's and many others to back major building projects. Did the university lay out money for those? Sometimes, yes. Did it spur further growth on the campus, including on the academic side? Absolutely.

Was it worth it? It certainly was on the day when the ACC made its decision on which school to add. Ask Connecticut if that investment was worth it. More on UConn in a bit.

When they say athletics enhance a university, don't listen. There's no data to back that up. But you don't need data in terms of the physical transformation at U of L.

Whatever happens to Jurich in the coming weeks, that's what he did at U of L. That's a lasting legacy. Without Jurich, U of L's Belknap Campus wouldn't look like it does today. And he did more than build facilities, he built a department, added women's sports, and academic supports for the students who played the games.

So why is that important?

**That brings us to the second part of Jurich's legacy at U of L: The Atlantic Coast Conference. Why has there been a love affair with Jurich? Because he got the university's athletic program onto the last lifeboat in college sports.**

When Maryland and Rutgers joined the Big Ten, Connecticut was the presumed choice for the ACC. Jurich had about 11 days to change that presumption. And he did it virtually by himself, locked away for long stretches at a time. He accomplished it based on his body of work at U of L -- all those facilities, improved academic performance within the athletic department, and athletic achievement, Final Fours in men's and women's basketball, the College World Series, a team in the men's soccer title game.

For all the talk of finances in the past few days. I've heard zero talk about one of the biggest sets of numbers that casts perspective on U of L's inclusion into the ACC: the cost of not getting in.

Yes, it's correct, U of L spent \$7.4 million in university or foundation funds and student fees on athletics last season. Given its revenue and the university's financial struggles, it's reasonable to think that it shouldn't have spent any. Jurich has been obstinate in not giving the student athletic fee -- roughly \$2 million per year -- back to the university, despite students calling for a roll-back of that fee for years, especially since U of L joined the ACC. Nor should U of L athletics need the university to pay its electric bill, even though that was business as usual for decades in college sports.

But let's go back to 2012. U of L and UConn were vying for ACC membership. That year, U of L spent \$8.9 million of university money on athletics, and UConn spent \$8.1 million. Then fast-forward to 2016, with U of L in the ACC and UConn where U of L would have been, in the American Athletic Conference -- U of L spent \$5.4 million in university money on athletics. UConn spent \$27 million.

**When judging Jurich's performance and the money spent by the university, as well as the money spent on Jurich, this cost of being left on the outside looking in of the college sports major conference power structure is a key consideration.**

In fact, in its first two years of play in the ACC, U of L has spent \$10.6 million in university money on athletics (and another \$4 million in student fees) -- and yes, that's too much.

But in the same time, UConn, after losing to U of L in the ACC sweepstakes, has spent \$44.9 million in university money on athletics -- plus \$18.5 million in student fees. That's worse than too much. It's unsustainable.

Cincinnati, another urban institution that got left on the outside looking in, spent \$25 million in university money on athletics in 2016, and spent \$48 million in a two-year span -- and is carrying \$140 million in athletic debt.

U of L could have been UConn. It could have been Cincinnati.

Go on down the line with U of L's brethren who remain in the American Athletic Conference:

- Houston spent \$36.3 million in university money and \$15 million in student fees on athletics in 2015 and '16
- Memphis, \$21.5 million in university money and \$15 million in student fees
- South Florida, only \$11.4 million in university money but \$33.8 million in student fees. A student taking 15 credit hours at USF will pay \$227 per semester in athletic fees.

The costs for those institutions that didn't ramp up and make a successful run at a major conference have been staggering. At UConn, university money and student fees have more than doubled since Jurich's ACC work in 2012, and have gone from providing 27 percent of the athletic budget to 44.5 percent. At Cincinnati, the university and student burden has risen by \$8.4 million and gone from providing 33 percent of the athletic revenue to 41 percent.

At U of L, in the same time, the university and student burden has decreased by more than \$3 million and its percentage of the athletic revenue has decreased from 12.2 percent to 6.6 percent.

Still, the examination in question in the Louisville media last week didn't compare Louisville to those similar urban institutions who failed to make the leap U of L made, but compared Louisville to its relatively new neighbors in the Top 25 of schools in national revenue.

Against those, U of L doesn't fare as well. It takes more net money from university subsidy and student fees than any of them. But only 13 are truly self-supporting, taking no net money from the university or student fees. One school the newspaper held out as self-supporting, Florida State, actually had \$2 million more in expenses than revenue in 2016 and kept \$7.3 million in university money and student fees, according to the USA Today figures.

Moreover, U of L, when compared to the eight other public institutions in its new league, ranks near the middle of the pack in these measurements. The percentage of athletic burden carried by U of L and its students is the third-smallest among those schools, and the total dollar amount ranks fourth among the eight public schools. North Carolina supports athletics with \$9.1 million in university money and student fees -- amid shrinking state appropriations and layoffs, as well as a national scandal -- and Virginia with \$13.7 million from a \$657-per-semester athletic fee.

Moreover, the issue of university spending on athletics is a national problem. It occurs everywhere, including in this state, where WKU spends more than double the university money that U of L does -- \$16.4 million, 55 percent of its athletic revenue. At Eastern Kentucky, the total is \$12.8 million, nearly 74 percent of the school's athletic revenue. At Northern Kentucky, it's 11.6 million -- 89 percent of the athletic revenue comes from university money and student fees.

This isn't to excuse the situation at U of L. Especially for Power 5 conference teams who are making big revenue, it's wrong. Athletic departments making that much money should be able to suck it up and pay their own bills.

Clearly, U of L is spending more than other top programs. But against the backdrop of Cincinnati, which has spent \$97 million of university money on athletics the last four years, or Connecticut, which has spent \$109.4 million in university money and student fees, or Houston's \$99 million, or South Florida's \$84 million, or Memphis' \$74.8 million, or Central Florida's \$97.3 million (or North Carolina's \$66.4 million and Virginia's \$53.6 million), Louisville's \$33.2 million doesn't quite pack the same punch.

Now some might say, and I would agree, Louisville is not UConn. It is not Cincinnati. It might not have suffered the financial blow that those schools did had it been left out of conference realignment.

It's worth examining why that is the case. U of L's athletic revenue grew to \$77 million (even if you subtract student fees and university subsidy) even before it reached a major conference because Jurich navigated it into that position.

Nobody would be comparing U of L to the other Top 24 revenue programs in the nation had Jurich not gotten the department to that point, largely through suite revenue at the KFC Yum! Center and suite revenue from a new seating section at the football stadium. Of course, many people blame Jurich for the financial predicament that the arena is in. The fact is, Jurich did what he was supposed to do. He advocated for the university. If you're going to blame him for a one-sided deal where the city is concerned, he has to get credit for the deal on behalf of his own department and university.

**So, if all of this is true, then why does Jurich find himself under fire? There are legitimate reasons.**

One of Jurich's problems is that he didn't pivot when U of L entered the ACC. Athletics needed to, at that point, worry less about its own expansion and more about its own image. It should've given up the student athletic fee. It should've weaned itself of dependence on university money -- even though university leadership itself could've stopped the flow of money to athletics at any time, and could easily have abolished the student athletic fee (in 2017, Louisville returned the rough equivalent of the fee, \$2 million, back to the university). It should've willingly and quickly kicked a portion of the KFC Yum! Center money back to the arena authority instead of doing it kicking and screaming (it might have done this, had there not been such a rush to blame the problem on Jurich -- who wanted a Fairgrounds arena instead of a downtown arena to begin with).

None of those pivots was made. In fact, athletics appeared to become more petty and insulated, even as it continued to receive university and student money. A certain tone-deafness began to be on display on Floyd Street, amid the perception that the department could do whatever it wanted.

Which brings us to Jurich's salary. All. That. Money. Admirably, the newspaper was able to dig through the stack of Jurich contracts and addendums and letters to determine that over the past seven years Jurich was paid about \$19.3 million, or \$2.76 million per year.

The biggest chunk came this year, when an annuity was paid to him that made this year's



salary \$5.3 million, a number that raised everyone's eyebrows, especially when the newspaper drew the comparison that it was more than "four academic departments." But of that large total, \$3.4 million was part of an annuity that went into Jurich's contract in 2004 and was earned over 12 years. He got the payout in 2016, but it was a long time coming. To compare Jurich's 2016 income to a single year's spending on academic departments when more than half of it was earned over the course of a dozen years is a neat piece of showmanship, but not the most straightforward presentation.

Now, let's do an exercise. If you had gone to UConn in 2010 and told them, Jurich will be your athletic director for \$20 million over the next seven years, and get you into the ACC, do you think they'd have taken the deal?

Calculators out. Do you spend \$20 million on this athletic director, or fork over a cumulative total of \$50 million in additional university money (above the amount they were spending on athletics in 2010) after building new facilities in hope of a payday that isn't coming?

What about Cincinnati? Do you think, in retrospect, they'd have taken the deal to give Jurich \$20 million in exchange for the ACC and its peer institutions and its future, or would they have passed on that \$2.76 million a year and gone ahead and paid a cumulative \$47.4 million above what they were contributing to athletics in 2010, which is what has happened?

U of L, of course, did fork out \$19.2 million to Jurich. And since 2010, the university has paid a cumulative \$2.8 million above its 2010 spending level on athletics. Ideally, that number would be negative. With more growth in the ACC and more revenue from football, it might be. Regardless, you add that \$2.8 to the \$19.2 and it's still likely quite a bit less than the additional spending from university sources U of L would be doing on athletics were it not in the ACC, and had it not positioned itself as Jurich did to be a part of the "power" conferences when the major conference music stopped playing.

Still, that doesn't make some of the perks in Jurich's contract easy to swallow. Jurich's various agreements, reported by the newspaper, also include items like a CEO in private industry would get, not a public employee. Multiple country club memberships and car allowances. Overpayment of life insurance for tax purposes. Amounts to pay taxes on an annuity and other payments. Kentucky Derby and Oaks suite, basketball tickets for family for life. These are the kinds of things that catch peoples' eyes, and that foster resentment. If you're making \$2.7 million a year, why can't you buy your own suite?

Here's one reason. You use the Derby and Oaks tickets to make money. That's where you entertain donors. Jurich's suite for football and basketball games is full of a mix of big money individuals, friends of the program and former athletes. It's about more than having a party. It's about landing donations. The same for the country club memberships. Jurich is on the golf course, because people with money are on the golf course.

It doesn't excuse all the perks. Certainly not all the tax-related top-ups. Many of those perks are excessive, especially in the university's current financial climate. But are they reason to terminate someone?

Of more concern is the under-the-table nature of some of the deals between the foundation and athletics, and the role in the foundation in paying the buyouts or severance deals of former coaches and some athletics salaries.

Still, while there may well be, in my view, good reason for U of L and Jurich to part ways, money probably isn't the biggest one.

What U of L invested in Jurich, it got back, many times over. The accomplishments on the field have been well-documented. Two BCS bowl wins. Two NCAA title games in women's basketball and one in men's soccer. Four trips to the College World Series. Then there's the enhanced academic performance within the department. Not to mention the neighborhood it puts U of L into with its conference affiliation.

Yes, Jurich is the highest paid athletic director in the nation. He's also the only one in the Top 25 revenue programs to take over a program that had a budget of less than \$30 million, no major conference affiliation, basketball probation, a one-win football team, a Title IX problem waiting to happen, few adequate facilities and a basketball program on probation and facing major NCAA sanctions.

Today, every area in that list has been transformed, except the last. The men's basketball program is on probation again, and again faces NCAA sanctions.

**In the end, scandal is a problem.**

Suppose we asked the earlier-referenced question of UConn and Cincinnati in 2010, and told them they could be in the ACC for \$20 million, but told them they'd also have to endure multiple scandals, including multiple major violations in men's basketball, and the potential vacating of a national championship. Now, what do you think the answer would be? I think they'd have run for the hills. No thanks.

This is where U of L's leadership stands today. And beyond those scandals that occurred under Jurich, there's speculation born of his close involvement with former president James Ramsey, and athletics with the foundation. And there's the hiring of his son in athletics. And his daughter working for adidas, which has a business relationship with the athletic department. I'm a little sensitive to the topic of nepotism. It's been flung at me my whole life. All I can tell people is that if my position is due to my name, I wish it had come a little faster. I was turned down on three Courier-Journal interviews before I started, and was passed over for the columnist job the first time I tried for it. At any rate, I'm not going to assume Mark and Haley Jurich are not good at their jobs just because their dad is athletic director. You're welcome to

do differently, and you're welcome to push for the nepotism policy at U of L to be strengthened.

Regardless, we don't know what all has gone on behind the scenes from a compensation standpoint. We do know that things have gone on behind the scenes. And that looks bad. John Schnatter talked about accountability. He knows his way around a balance sheet.

Moreover, university leaders, It appears, already have decided they want to go a different direction and in fact may well have decided that even before the recent basketball scandal hit. They placed Jurich on leave, then hired Vince Tyra in his place.

If I'm Jurich, I have no desire to work with an administration that doesn't support my efforts. And if I'm the administration, I look around at the nearly non-stop negative publicity from basketball, the tone-deaf response to the Wake Forest game-plan incident, all of the animosity surrounding the arena project, resentment from within the university surrounding his pay and university spending on the athletics department, and the potential jeopardy you put your athletic program in by retaining the leadership in place when a second straight major violation occurred, and I begin to think that a new start is needed, despite all Jurich has built.

As I wrote earlier in the week, no one is indispensable.

The best way I can see for this to go, assuming the current university leadership is going to stay in control for a while, is for U of L to thank Jurich for his work, preserve his legacy as best they can, lift this suspension and negotiate a fitting (but fiscally responsible) settlement with him. And for Jurich? He can make more money as a collegiate coaching head-hunter or consultant than he ever made at U of L. And that's saying something. Or he could land at another university. There are many out there who would be interested in his services.

But let's not make any mistake. The next person in the job, and the administrators who hire the next person in the job, will not make the mark on Louisville's campus that Jurich did. Their job, if administrators and trustees follow through on what looks like a plan to move Jurich out, is to take all of these facilities whose construction he oversaw and this conference affiliation he negotiated and this department that he built and make them work the way he made them work – minus money from the university, and the scandal which threatens to undo the whole enterprise.

Anything short of that, and they will be the next ones moved out.

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Review of Athletic Financials  
University Services vs University Benefits

**University Services/Benefits Provided to Athletics:**

1. in 2015-16, the University paid the following expenses on behalf of Athletics for each of their facilities:

Electric	\$ 1,511,017
Gas	84,602
Water	455,038
Custodial	383,356
Maintenance	789,859
Plumbers	38,132
Franchise Fees	230
Soccer field lights	<u>531</u>
	 \$ 3,262,765

The above included PJCS, FB Training facility, Tennis Center, Cardinal Park, Trager Center, KFEC Complex, Marshall Center, YUM Center, Patterson Baseball Stadium, Lynn Soccer Stadium and Lynn Training Complex.

Why is the university paying the above expenses? In 2002, the University made the above commitment to Athletics and this commitment was confirmed in writing by adding the commitment to Tom's contract. The contract signed on August 8, 2002 has these terms added in Section A to Tom's Employment Contract.

**2. Gender Equity Commitment** 1,323,000

How did this originate? Tom Jurich and Kevin Miller met with Dr. Ray Nystrand, Special Assistant to the President for Athletics and discussed building a Gender Equity Plan. Lamar Daniels, Title IX Consultant had completed his review of UL Athletics and said we were totally out of compliance with Title IX. Lamar worked with Athletics and established a plan of adding sports and addressing facility needs.

Dr. Nystrand explained to Tom and Kevin that when he would add a class or program in the School of Education, he would work with the Budget Office to regain a portion of the new revenue to pay for operating expenses. Kevin then worked with Mike Curtin and Mike prepared an analysis and said the Budget Office could allocate

\$800,000 back to Athletics to offset new operating expenses from new revenue generated. This was reviewed and confirmed and the amount of \$800,000 was initially committed to Athletics. This figure was later increased to \$1,323,000 because of another women's sport (Lacrosse) being added at a later date.

This commitment was also added to Tom's contract to assure the University commitment to Gender Equity.

### 3. Retention Commitment

\$ 829,900

In the early 2000's, a review as made by the Board of Trustees and there was an overall concern for the academic status of the student athletes. The BOT wanted to help financially the efforts to improve GPA's and Graduation Rates. Initially, the commitment was \$700,000. This figure has been increased and is currently \$829,900 per year. Athletics increased support for the Academic Counseling Office, added staff and also provided special assistance when needed. In addition, a commitment was made to minimize missed class time and money was added to sports to assist with special travel requests. All of these improvements have addressed the issues we had.

This commitment was also added to Schedule A in Tom's 2002 contract.

### 4. Student Fees

\$ 1,928,000

We have provided documentation of Board of Trustees Minutes where the BOT approved the implementation of the Athletic Student Fee beginning in the fall of 2002. This fee was increased to \$35 in 2003; \$45 in 2004 ; and \$50 in 2005. We have copies of the BOT minutes where the students approved the fee if the University met 6 proposed initiatives for the students. The initiatives were reviewed in 2007 and the BOT then made the \$50 per semester permanent by BOT approval in February 21, 2007.

We have attached a letter to Bob Goldstein outlining the BOT review and approval of the student fee. This was provided to Bob in response to questions by the Tuition Review Committee.

Total Benefits Provided by University and Students to Athletics

\$ 7,343,665

**Athletic Services/Benefits provided to University:**

1. The Athletic Program had 611 athletes participate in 2016-17. Of this amount, 322 were female and 289 were male. In 2016-17, Athletics budgeted \$13,123,000 for student athletes. Additional aid was paid for managers, trainers and graduate students.

The total number of scholarships paid to the University equated to 294.1 out of state student athletes. We can identify an additional 316.9 student athletes who paid the University for Tuition, room and Board.

Athletics also oversees all Spirit Groups that include the Cheer and Dance as well as University Pep Band. We can estimate that these groups add approximately another 200 students who are paying to attend UL.

It is estimated that Athletics accounts for \$30.6M in tuition, room, board and books that is provided to the University.

3

2. **Contributions to UL General Fund has totaled \$4M as follows:**

- a. Provide raises to faculty and staff (\$3.5M)
- b. Renovation and equipment for the Humana Gym (\$500K).

\$2M was provided in 2013-14 and another \$2M is being provided in 2016-17.

3. **Capital improvements in last 20 years have exceeded \$300M** . In addition, the Athletic Department purchased the University of Louisville Golf Club in December 2013. Cost and improvements are approximately \$10M. This facility offers discounts to all students, faculty and staff.

4. **PJCS Parking Lot:** As part of the exchange for paying for expenses at PJCS, athletics allowed the University to develop a parking plan for the students as well as creating a bus station in the front of PJCS.

5. **Student Athletes Service to the Community:** Coaches and athletes have made significant contributions to the community through the L-Care Program. They have become the number one group of ambassadors for the University. Their service hours have exceeded 100,000 hours in last ten years, with over 11,000 contributed in 2016.

Review of Athletic Financials  
University Services vs University Benefits

6. ACC affiliation: The growth in quality, performance and facilities made by the Athletic Department made the University of Louisville a target of the ACC when they were looking for a new member. This elevated the University as well as its athletic programs to being a national brand. This recognition aligns the University with some of the best quality academic institutions in the country. It should attract top students as well as top educators to campus.

ACC Student Fee Comments  
as of April 18, 2017

We have reviewed information from other ACC schools that receive student fees to compare to Louisville. The information contained is confidential and schools requested that they not be referenced by name.

We found that annual student fees ranged from \$1,960,000 (Louisville) to a high of \$13,555,000.

We also found that the combined fee rate for fall and spring ranged from \$100 (Louisville) to \$657 per student.

It appears some schools "bundle" their student fee with tuition and therefore you do not report an allocation designated as "student fees". For Example, one school indicated they had no student fee but we found where that school made a transfer to athletics totaling \$16M in the fiscal year we requested.

Special report

# Contracts for college coaches cover more than salaries

Continued from 1A

or other official document showing compensation.

Alabama's Bob Stoops is the only coach in that group who has cleared the \$3 million-a-year bar in guaranteed pay, although Ferentz likely will join him in 2007.

Coaches' contracts these days offer far more than just the basic salary. In scrutinizing contracts, USA TODAY found all kinds of perks: personal use of private jets, low-interest home loans, land deals, million-dollar annuities, pricey luxury suites at schools' stadiums, use of vacation homes and family travel accounts.

Ferentz received a \$1.6 million "special payment" for his 53rd birthday in 2004, before his contract was renegotiated.

The perks vary from coach to coach, but at least one car, country club memberships and tickets for varsity sports events are *de rigueur*.

About 10% of coaches get a cut of ticket revenue, Oregon's Mike Bellotti got \$631,000 last season under such a provision.

Incentive bonuses, raises and automatic contract extensions are promised for winning specific games or specific numbers of games, helping guide players to graduation, keeping players out of trouble and completing individual years of contracts.

USA TODAY could not obtain figures for 11 coaches, including Notre Dame's Charlie Weis, who is likely among the higher earners. Notre Dame is a private school that declined the newspaper's request for salary information, and his salary does not appear on the school's most recently available tax records.

Access to compensation information for the coaches in Pennsylvania, including Penn State's Joe Paterno, is being decided as part of a lawsuit that has reached the

state's supreme court.

"Is (Ferentz's compensation) fair?" says Gary Barz, who took over as Iowa's athletics director in August, inheriting the high-end contract accorded Ferentz, a two-time Big Ten Conference coach of the year with a 6-5 record this season. "I'm not going to judge that. Is it the reality across the country? Yes. We want to keep Kirk here. The marketplace drives what we pay ... and right now the marketplace is aggressive."

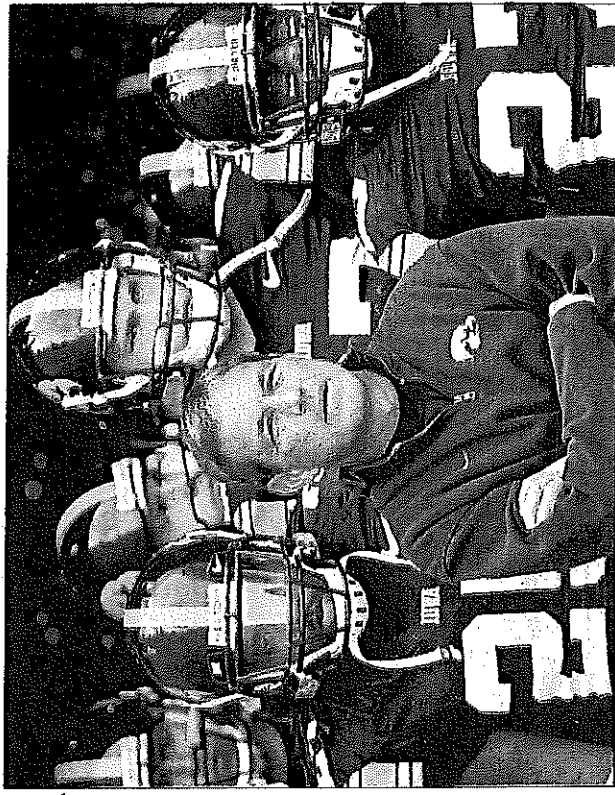
Competition for proven coaches is keen, not only among colleges but increasingly from the National Football League. Its teams have hired four college head coaches in the past five-plus years — Nick Saban from Louisiana State, Dennis Erickson from Oregon State, Steve Spurrier from Florida and Butch Davis from Miami (Fla.) — giving them contracts averaging \$2.5 million to \$5 million per year. NFL teams also have flirted with Stoops, Brown and Ferentz, among others.

"Just like the high-end housing market can pull up the mid-range housing market," NFL coaching salaries can affect college coaching salaries, says Gary O'Hagan, manager of the sports marketing and representation firm IMG's coaches' division, which represents NFL and college coaches.

The coaching market isn't always so logical, says Peter Likins, the recently retired president of the University of Arizona and head of an NCAA panel on fiscal responsibility. Even presidents and trustees can fall prey to the impulse to overpay for the promised glitter of a winning season.

These are emotional decisions," Likins says of the hiring process.

**Multimedia is driving force**  
Feeding the salary spiral, insiders



Making his own mark: Iowa coach Kirk Ferentz, above, has captured two Big Ten championships (2002, 2004) since replacing legendary Hayden Fry in 1999.

## Iowa's Ferentz a \$4M man with incentive

Coach's contract includes bowl enticements, potential raises for assistants

Iowa coach Kirk Ferentz earns as of June 1, 2006, one of college football's highest annual salaries and, with extras in the middle of a particularly lucrative 13-month period:

**Guaranteed compensation**  
June 1, 2006-June 30, 2007:  
Base salary: \$1.44 million (includes shoe and apparel endorsements, compensation for working at a summer football camp, participating in radio and TV shows).  
Recurring supplemental payments: \$1.4 million (four payments of \$350,000 annually, Sept. 2006-June 2007).

**Longevity bonus:** \$400,000 (paid for remaining Iowa's coach

as of June 1, 2006).  
One-time payment: \$1.4 million (paid on or before June 1, 2006 under contract amendment dated May 15, 2006).  
Total: \$4.64 million

**Annual incentive bonuses**  
that he could still achieve, based on Iowa's 6-5 record with one regular-season game remaining:

Participating in bowl game that pays \$1 million or more to each school: \$75,000.

Participating in bowl game that pays less than \$1 million to each school: \$25,000.

Participating in any bowl game also will result in a \$180,000 increase in base salary on July 1, 2007 under a provision triggered if the team plays in a bowl game and has a federally computed graduation rate of 55% or higher; its rate this year is 56%.

This is the third and final year in which Ferentz can earn the guaranteed annual salary increase for himself (he added \$100,000 after the 2004 season and \$140,000 after 2005). But his contract, which runs through June 2012, provides an average salary increase of 8% for his nine assistant coaches, head strength coach and top assistant strength coach when Iowa hits the bowl-grade rate combination.

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### Salaries online

► View a database of Division I-A college football coaches' salaries sortable by school, coach and conference at [collegefootball.salary.com](http://collegefootball.salary.com).  
► Read personal bios of each coach and see PDFs of actual contracts.

95% of Division I-A athletic departments still rely on either the university's general fund or student fees to balance the budget, according to NCAA financial reports obtained by USA TODAY and other academic studies.

When football coaches are the face of the athletic program, however, they are more and more often claiming marquee salaries. Increasingly, they are turning to sports agents to exact what they consider a fair share.

### Conflicting messages?

As their take grows, so do critics' concerns about the distortion of sports' importance in its higher-education setting. The chancellor of Texas' university system, Mark Yudof, earned \$693,677 last year according to *The Chronicle of Higher Education*. Brown makes about four times as much.

Louisville paid its full-time professors an average of \$95,024 a year ago, according to the state's Council on Postsecondary Education. That's less than half what coach Bobby Petrino would receive as a bonus for getting the Cardinals to a Bowl Championship Series game; Petrino is guaranteed a little more than \$1.6 million annually, not including sweeteners like a gas-oline allowance of \$10,000 a year.

"What kind of message does that send?" says Smith College sports economist Andrew Zimbalist. "What does that say about the value system? What does that say to students?"

Even the man who so richly rewarded Ferentz at Iowa is conflicted. "When you have a football coach or a basketball coach who makes multiples of three to six times what the university president makes," says Bob Bowlsby, who left Iowa in July to become the athletics director at Stanford. "I think there's probably something a little out of whack."

Iowa's president made \$390,250 last year, according to *The Chronicle*. The rise in salaries caught the eye of the House Ways and Means Committee, which in October asked the NCAA to justify why such a revenue-generating enterprise deserves tax-exempt status.

Chairman Bill Thomas, R-Calif., in

the revenue-generating backbone of most overall athletics programs.

At Texas, for example, the return on the sizable investment in Brown is a pre-eminent football program that last season won the school's first football national championship in 35 years and accounted for 62% of all the Longhorn's athletics revenue, turning a \$42 million profit. Football essentially underwrote 17 other sports at the school that don't make money — all but men's basketball and baseball.

Not all athletic departments are self-supporting. Between 80% and



## **NCAA definition of Self-Supporting doesn't tell the Story of UL Athletic' Association's Contribution to UL**

Andrew Wolfson's story: Despite winning seasons, University of Louisville Athletics doesn't turn a profit is deceiving on many levels, giving readers the impression that UL Athletics is a net "taker" from the University's coffers. This is preposterous.

Wolfson uses the NCAA definition of "self-supporting" as the primary rationale for drawing such conclusions, but this definition falls short of explaining the economics anywhere close to its entirety. UL may not be self-supporting from a NCAA methodology, but that is more to do with bookkeeping and tuition decisions placed on the University of Louisville Athletic Association (ULAA) by the University of Louisville from years of incoherent business and budgeting practices by the former President's administration. On a net, net basis UL Athletics is definitely a "giver" economically to the University of Louisville.

Let's first look at revenues or tuition dollars that are paid to UL for the direct athletic scholarships, all 294 of them inclusive of tuition room, board, and books. Suppose a company called UL and told them they would like to scholarship 294 students every year for several years. The students would come from all over the world, including some in-state students. The company begins negotiating with UL and a payment of a rate that is above cost for UL is determined. You can best be assured that this rate is likely far less than the retail in-state rate for UL's student body. Want proof? Simply research the net tuition rate (or discount rate) that UL's average student pays net of financial aid and scholarships in their various forms, including accepting below retail rates to get more student tuitions (akin to not having empty seats on an airline). It might come as a surprise that many out of state students at UL do not pay out of state rates and many in-state students often do not pay in-state rates, but this is the business of universities. Higher education initially starting with private universities and now extending to public institutes have been playing funny money with retail vs. wholesale rates for years. These are often discounts disguised as University scholarships, a ubiquitous practice.

Back to the 294 athletic scholarships. UL's administration decided years ago to charge the full out of state rate for UL Athletes who were out of state and the in-state rate for in-state student-athletes and this amounts to \$15 million. The out of state tuition for UL students is excessive, going far beyond the legislative mandate and in large part the reasons for the meager number of international and out of state students at UL (another issue for another time). Every ACC and other NCAA schools have various approaches to charging their athletic department tuition, room, and board. Surprisingly, there is no "best practice" or standard. Options can range from charging the in-state tuition rate regardless of where the athlete resides, a discounted net rate per student, a "bundled" tuition inclusive of student fees and in some cases there isn't a charge to the athletic department for any tuition. One straightforward calculation is that if UL charged ULAA the in-state tuition, there would be plenty of money in the athletic department to completely remove the student fee nor any need for subsidy to ULAA. In that scenario, the \$5 to 7M subsidies by UL to athletics as cited by Mr. Wolfson becomes moot and by NCAA standards ULAA is "self-supporting".

Let's also not let the NCAA "self-supporting" definition get in the way of overall contribution that ULAA provides to UL. While there are 294 athletic scholarships, there are roughly 611 student-athletes. Many students who are not under scholarship to UL athletics include spirit teams (dance, cheer, band), walk-ons, support staff and in aggregate contribute an additional \$15 million beyond the \$15million from the 294 scholarships in tuition revenue and this is not part of the NCAA calculation. Lastly, there is sound documentation that winning teams in sports produce additional students. The bump in enrollment post-2013 basketball national championship is one example and the premier example is University of Alabama's enrollment pre/post Nick Saban and several championships. The reality is that athletics at any University is not a zero-sum game and much of the revenues-primarily through tuition dollars cannot be adequately attributed to one department, athletics or otherwise.

The NCAA is entitled to their own definition of self-supporting, but that definition does not tell the story of the economics of athletics at any university. UL Athletics is indeed a "giver" economically, not a "taker. Don't let headlines or the NCAA methods of assessment fool you.

Dr. Larry N Benz