UNIVERSITY OF OREGON

NOTICE OF PUBLIC MEETING

The Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon will hold a virtual public meeting on:

Thursday, July 27th at 10:00 a.m. Pacific Time

Subjects of the meeting will include the employment contract for the head intercollegiate football coach, technical adjustments to the employment contract of the university president, and authorization to expend facilities related resources on the university's Portland campus.

The meeting's agenda and materials will be available at https://trustees.uoregon.edu/upcoming-meetings.

A livestream link will be available at: https://trustees.uoregon.edu/meetings. If telephone conference, sign language for the deaf or hard of hearing, or accessibility accommodations are required, contact trustees@uoregon.edu at least 36 hours in advance of the posted meeting time. Please specify the sign language preference if applicable.

BOARD OF TRUSTEES

6227 University of Oregon, Eugene OR 97403-1266 | (541) 346-3166 | **trustees.uoregon.edu** | **trustees@uoregon.edu**

Board of Trustees | Executive, Audit, and Governance Committee
Public Meeting | July 27, 2023 | 10:00 a.m.

Convene

- Call to order, roll call

1. **Approval of Certain Athletic Contract (Football, Head Coach):** Rob Mullens, Director of Intercollegiate Athletics

2. **Portland Campus Capital Project Authorization.** Jamie Moffitt, Senior Vice President for Finance and Administration and CFO;

3. **Presidential Contract Technical Amendment.** Kevin Reed, General Counsel

Meeting Adjourns

Agenda Item #1

Head Football Coach Contract Amendment

Board of Trustees ratification is sought for an employment contract within the Department of Intercollegiate Athletics (Athletics). Although employment matters are delegated to the University President, the Board has retained authority over contracts and instruments with an anticipated value reasonably expected to reach or exceed $5,000,000. Athletics reached terms for an amended employment agreement with Dan Lanning (Lanning), head coach of the intercollegiate football team, the aggregate value of which will exceed that threshold.

Below is a brief summary of key economic terms:

Term

Adds one year to the original contract, extending to January 31, 2029. The extension commences halfway through contract year 2.

Contract Year 2b:	July 1, 2023 – January 31, 2024
Contract Year 3:	February 1, 2024 – January 31, 2025
Contract Year 4:	February 1, 2025 – January 31, 2026
Contract Year 5:	February 1, 2026 – January 31, 2027
Contract Year 6:	February 1, 2027 – January 31, 2028
Contract Year 7:	February 1, 2028 – January 31, 2029

Should the football team win 10 regular season games during any of the years in contract years 2-7, this agreement will be extended by one contract year for a maximum of up to 3 contract years.

Base Salary

Contract Year 2b:	$7,000,000 *annualized*
Contract Year 3:	$7,200,000
Contract Year 4:	$7,400,000
Contract Year 5:	$7,600,000
Contract Year 6:	$7,800,000
Contract Year 7:	$8,000,000

If this contract is extended as described above, the base salary shall increase by $200,000 per additional contract year.

If the football team wins the CFP National Championship Game, the base salary in the following contract year, and all subsequent contract years shall increase by $500,000 per year.

Deferred Compensation

University shall contribute $1,000,000 per Contract Year to a deferred compensation program on behalf Lanning.

Other Incentives

Coach shall be eligible for various incentive payments based upon athletic and academic performance metrics.

Termination

If Lanning terminates this employment agreement prior to the final post season game of contract year 7 (or of any additional contract years earned as described above), the university will be entitled to a payment of $20,000,000.

If the University terminates this employment agreement without cause Lanning shall be entitled to 100% of the total remaining guaranteed salary as described above.

Market Comparison:

2023 market data indicates Lanning's July 1, 2023 salary to be 2nd out of 12 coaches in the Pac 12 and within the top 15 nationally.

Executive, Audit, and Governance Committee
Board of Trustees of the University of Oregon

Resolution: Authorization to Execute Revised Employment Agreement (Dan Lanning)

Whereas, Dan Lanning (Lanning) was the third head coach of the University of Oregon's (University) intercollegiate football team to win 10 games in his debut season, and led the team to a bowl victory;

Whereas, Lanning is one of the nation's premier recruiters and has established himself as a leader within University's athletic department in supporting and serving student-athletes;

Whereas, the Department of Intercollegiate Athletics ("Athletics") and Lanning have agreed to revised terms to his employment agreement, as head coach of the football program; attached hereto as Exhibit A;

Whereas, ORS 352.107(c) grants the University of Oregon the authority to make any and all contracts and agreements that are appropriate;

Whereas, the Policy on the Retention and Delegation of Authority requires Board of Trustees' approval for instruments exceeding $5,000,000; but further authorizes the president to act prior to such approval when time makes prior authorization impractical; and,

Whereas the Policy on Committees authorizes the Executive, Audit, and Governance Committee to act on behalf of the Board of Trustees.

> Now, therefore, the Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon hereby ratifies the terms of agreement reached by the Department of Intercollegiate Athletics in negotiating a revised employment agreement with Dan Lanning and authorizes the University to execute a contract attached hereto as exhibit A.

Moved: ___________ Seconded: __________________

Trustee	Vote	Trustee	Vote
Aaron		Hornecker	
Evans Jackman		Seeley	
Holwerda		Storment	

Record here if voice vote without dissent rather than roll call: ________________

Dated: _______________ Recorded: __________________

EXHIBIT A

Employment Agreement Amendment

This is Employment Agreement Amendment #1 (Amendment #1) to the Employment Agreement (Original Agreement) entered into by the University of Oregon (University) and Dan Lanning (Coach) and signed by University and Coach on January 19, 2022.

The Original Agreement is amended as follows:

1. Section 3 of the Original Agreement is deleted and in its place the following is substituted:

   3. Term of Agreement

      a. The term (Term) of this Agreement shall begin on December 12, 2021, and end at 11:59 pm Pacific Time on January 31, 2029, at which time this Agreement shall expire without penalty to either party. Each contract year (Contract Year) is defined below.

Contract Year 1:	December 12, 2021 – January 31, 2023
Contract Year 2a:	February 1, 2023 – June 30, 2023
Contract Year 2b:	July 1, 2023 – January 31, 2024
Contract Year 3:	February 1, 2024 – January 31, 2025
Contract Year 4:	February 1, 2025 – January 31, 2026
Contract Year 5:	February 1, 2026 – January 31, 2027
Contract Year 6:	February 1, 2027 – January 31, 2028
Contract Year 7:	February 1, 2028 – January 31, 2029

      b. This Agreement does not automatically renew for any additional periods. However, if University football team wins a minimum of ten (10) regular season games during any individual Contract Year beginning with Contract Year 2 (understood as Contract Years 2a and 2b in the aggregate), this Agreement shall be extended by one (1) Contract Year per 10-win regular season. The Term of this Agreement may not be extended to add more than three (3) Contract Years. If earned, each additional Contract Year will be of similar date and duration as Contract Year 7 (the last of any additional Contract Years earned shall be individually understood as the Final Contract Year).

2. Section 4.1 of the Original Agreement is deleted and in its place the following is substituted:

   4.1 Salary

   a. Subject to certain provisions of Section 6 below, University shall pay Coach a guaranteed salary as outlined below in Section 4.1.a (Guaranteed Salary). Coach's

Guaranteed Salary shall be paid in equal installments on the University's regular pay days.

Contract Year 1:	$4,600,000 *annualized*
Contract Year 2a:	$4,700,000 *annualized*
Contract Year 2b:	$7,000,000 *annualized*
Contract Year 3:	$7,200,000
Contract Year 4:	$7,400,000
Contract Year 5:	$7,600,000
Contract Year 6:	$7,800,000
Contract Year 7:	$8,000,000

b. Should Coach earn any additional Contract Years through Section 3 above, the Guaranteed Salary for any individual Contract Year extensions shall increase by $200,000 over the previous Contract Year.

3. Section 4.2(l) and 4.2(m) are added to the Original Agreement:

4.2 Fringe Benefits

l. As a component of his compensation, Coach and members of his immediate family are entitled to occasional use of donor-funded charter or private air service upon approval of the Athletic Director. The value of any such benefits will be treated by University as compensation to Coach and will be taxable as such.

m. University shall contribute $583,333 during Contract Year 2b and $1,000,000 per Contract Year thereafter to a deferred compensation program selected by University in its sole discretion. Such contributions are not part of Coach's Base Salary. University shall have no responsibility or liability for reduction of present or future income derived from deferred compensation should Coach be terminated under Section 63 or Section 7 of this Agreement or reassigned. Should Coach be terminated under Section 6.2 of this Agreement, contributions to the deferred compensation program shall cease on the termination date, and any remaining deferred compensation amounts owed to Coach through the remainder of the Term shall be paid to Coach in accordance with Section 6.2.

4. Section 4.3 of the Original Agreement is deleted and in its place the following is substituted:

4.3 Annual Performance Salary Escalator and Incentives

a. CFP National Championship Salary Escalator:

If the University football team wins the CFP National Championship Game, beginning with the next Contract Year and continuing through each subsequent Contract Year, Coach's Guaranteed Salary identified in Sections 4.1.a and 4.1.b, shall increase by $500,000 per Contract Year.

b. For Contract Year 1 and Contract Year 2 (understood as Contract Year 2a and Contract Year 2b in the aggregate) of this Agreement, provided that Coach is serving as head football coach at the time of the relevant CFP game identified in subsection 4.3.b.1 below or the final game of the season (inclusive of any bowl games, if applicable) in which an achievement of any Contract Years 1 and 2 Other Performance Incentive identified in subsection 4.3.b.2 below is reached: Coach will be eligible to receive performance incentive payments as follows:

1. Contract Years 1 and 2 CFP Participation Incentive:

CFP National Championship Game:	$500,000
CFP Semi-Final:	$250,000
CFP Bowl (Other than CFP Semi-Final):	$150,000

Earnings under the CFP Participation Incentive above are not cumulative (only one can be earned per season). The maximum CFP Participation Incentive that may be earned in any individual Contract Year is $500,000.

2. Contract Years 1 and 2 Other Performance Incentives:

Win CFP National Championship Game:	$500,000
Win PAC 12 Championship Game:	$150,000
Qualify For PAC 12 Championship Game:	$100,000
11 Regular Season Wins:	$200,000
12 Regular Season Wins:	$200,000
PAC 12 Conference Coach of the Year	$ 25,000
AP or Walter Camp National Coach of the Year	$ 100,000

Other Performance Incentives above are cumulative. The maximum Contract Years 1 and 2 Other Performance Incentives that may be earned in any individual Contract Year is $1,275,000.

c. For Contract Year 3 through Final Contract Year of this Agreement and any additional Contract Years earned under Section 3.b above, Coach will be eligible to receive performance incentive payments as follows provided that Coach is serving as head football coach at the time of the relevant CFP game identified in subsection 4.3.c.1 below or the final game of the season (inclusive of any bowl games, if applicable) in which an achievement of any Contract Years 3 through Final Contract Year Other Performance Incentive identified in subsection 4.3.c.2 below is reached:

1. Contract Years 3 through Final Contract Year CFP Participation Incentive:

CFP National Championship Game:	$500,000
CFP Semi-Final:	$250,000
CFP Quarterfinal:	$200,000
CFP First Round:	$150,000

Contract Years 3 through Final Contract Year CFP Participation Incentives above are not cumulative (only one can be earned per season). The maximum Contract Years 3 through Final Contract Year CFP Participation Incentive that may be earned in any individual Contract Year is $500,000.

2. Contract Years 3 through Final Contract Year Other Performance Incentives:

Win CFP National Championship Game:	$500,000
Win PAC 12 Championship Game:	$150,000
Qualify for Pac-12 Championship Game:	$100,000
11 Regular Season Wins	$200,000
12 Regular Season Wins:	$200,000
PAC 12 Conference Coach of the Year	$ 25,000
AP or Walter Camp National Coach of the Year	$ 100,000

Contract Years 3 through Final Contract Year Other Performance Incentives above are cumulative. The maximum Contract Years 3 through Final Contract Year Other Performance Incentive that may be earned in any individual Contract Year is $1,275,000.

d. If earned by Coach, payments for Annual Performance Incentive payments under Section 4.3.b and 4.3.c shall be made within forty-five (45) days following the season in which such incentive payments are earned.

5. Section 4.4 of the Original Agreement is deleted and in its place the following is substituted:

4.4 Academic Incentives

a. Coach will be eligible to receive incentives based on the football team's cumulative academic achievement (Academic Incentive). Academic Incentive payments will be based on the single-year Academic Progress Rate (APR) of the football team. Team APR will be calculated in each Contract Year as follows:

Contract Year	APR Criteria	Date APR Issued
Year 1	2021-22 Academic Year APR	June 2023
Year 2	2022-23 Academic Year APR	June 2024
Year 3	2023-24 Academic Year APR	June 2025
Year 4	2024-25 Academic Year APR	June 2026
Year 5	2025-26 Academic Year APR	June 2027
Year 6	2026-27 Academic Year APR	June 2028
Year 7	2027-28 Academic Year APR	June 2029

b. Academic Incentive payments will be based on the following schedule:

Academic Progress Rate	Payment
985 or greater in any individual Contract Year	$100,000 per Contract Year

If earned by Coach, the incentive payment shall be made within forty-five (45) days of the date upon which the NCAA academic progress rate data is available to University. Coach must be employed by University as head football coach at the conclusion of each contract year to earn the Academic Incentive associated with that Contract Year.

6. Sections 6.2(b) and 6.2(c) of the Original Agreement are deleted and in their place the following are substituted:

6.2 Termination by University (not for cause)

b. Subject to Coach's obligations under Section 6.2.e,If University terminates this Agreement under this Section 6.2, University shall pay to Coach, as liquidated damages, the following:

One hundred percent (100%) of the total remaining Guaranteed Salary owed for the remainder of the otherwise unexpired Term as set forth in Section 4.1 and one hundred percent (100%) of the total remaining deferred compensation owed for the remainder of the otherwise unexpired Term as set forth in Section 4.2 m.

c. University's obligation under Section 6.2.b shall not accrue interest (so long as not in arrears) and shall be paid on a monthly basis through January 31, 2029 (end of Contract Year 7), or through the final day of the Final Contract Year earned as outlined in Section 3. University's obligations under section 6.2.b are subject to Coach's duty to mitigate, as set forth in Section 6.2.e. Failure to pay timely such liquidated damages shall constitute a breach of this Agreement and such sum shall be recoverable, in any state court of competent jurisdiction in the State of Oregon. Notwithstanding the foregoing, Coach is required to give the University reasonable notice of the breach (no less than ten days) and an opportunity to cure prior to initiating a lawsuit against the University. After the Termination Date, Coach will not be entitled to any other employee benefits except as otherwise provided in this Section 6.2 or required by applicable law. This means that Coach must return all UO property (including any assigned Courtesy Cars) to the University by the Termination Date. In no case shall University be liable for the loss of any collateral business opportunities or any other benefits (including unemployment compensation), or perquisites, or income resulting from activities such as but not limited to, camps, clinics, media appearances, broadcast talent fees, apparel, equipment or shoe contracts, consulting relationships, or from any other (inside-the-University or outside-the-University) sources that may ensue as a result of University's termination of this Agreement under this Section 6.2. Should Coach face tax liability in the year in which University terminates him under this Section 6.2 for liquidated damages owed to him in future years, the University and Coach will negotiate in good faith for an advance payment of a portion of the future liquidated damages payments potentially owed by the University. In no event will any advance payment exceed 35% of the net present value of those sums owed by University under this Section 6.2. Any such advance payment shall be subject to all mitigation obligations set forth in this contract. This includes, but is not limited to, (i) taking Coach's mitigation obligations into consideration when determining the net present value of the sums owed by University and (ii) reimbursing the University for any portion of advance payments made that exceed the amount of liquidated damages owed after accounting for Coach's mitigation obligations. Any such advance will result in a commensurate reduction or cessation of future liquidated damages payments and, if the advance exceeds the amount of liquidated damages owed, reimbursing the University for overpaid liquidated damages.

7. Section 6.3(c) of the Original Agreement is deleted and in its place the following is substituted:

6.3 Termination by Coach

c. Termination by Coach shall require Coach to pay, or cause to be paid, as repayment of Compensation, perquisites and benefits paid to or accrued by Coach in anticipation that Coach would fulfill the Term, a fixed sum to University, according to the following schedule:

On or before the team's final game (including, if applicable, post-season game) of Contract Year 7: $20,000,000

Should Coach earn any Contract Year extensions as outlined in Section 3, Coach's obligation to University in this Section 6.3(c) shall also extend through the team's final game (including, if applicable, post-season game) of the FinalContract Year through which this Agreement is extended. For example, if Coach earns two (2) Contract Year extensions through January 31, 2031, Coach will also owe University a $20,000,000 payment for terminating this agreement in accordance with Section 6.3 prior to the team's final game (including, if applicable, post-season game) of the 2030 football season.

Sections 6.3(d) and (e) of the Original Agreement apply with equal force to this liquidated damages provision in Amendment #1, including that Coach and the University have bargained for and agreed to this liquidated damages provision, and giving consideration to the fact that termination by Coach may precipitate or lead to University's loss of revenue or other economic advantages or income related to University's athletic program, which damages are extremely difficult to determine fairly, adequately or with certainty.

This Employment Agreement Amendment #1 is effective upon full execution by Coach and University. All other terms and conditions of the Original Agreement remain in full force and effect.

The parties indicate their acceptance of and agreement to the terms and conditions of this Amendment #1 by their signatures below.

Dan Lanning	University of Oregon
______________________________	______________________________
Dan Lanning	Rob Mullens, Director of Athletics
______________________________	______________________________
Date	Date

Agenda Item #2

UO Portland Facilities Authorization

University of Oregon - Portland: Full Project Authorization July 2023

The University of Oregon – Portland Campus was purchased in the Summer of 2022. This project involves the renovation of multiple buildings on the campus in order to support the Ballmer Institute and the relocation of current UO Portland programs currently located on the downtown campus. These renovation projects range greatly from minor modifications in the newer buildings, to some extensive renovations in some of the older buildings. These building renovations include replacements of mechanical, electrical and plumbing systems that are at the end of their life, as well as new roofs on a few buildings. Modifications to accommodate programs will offer high quality learning environments with up-to-date classrooms, hi-tech maker spaces, and office space for clinical faculty. The project also includes a new IT infrastructure for the campus, in order to appropriately serve the programs that will be housed onsite. Site improvements will occur in order to comply with City of Portland code standards as well as improving ADA compliance in multiple areas.

The University is requesting authorization to proceed with the full project (budgeted at $58M) to complete the renovation of multiple buildings on the UO Portland Campus. As you recall, in December 2022 the BOT previously approved $10M of the $58M budget towards design work on the projects and Fall 2023 renovations for select buildings.

Status & Timeline: Fall 2023 work is reaching completion. The Fall 2024 building projects are in late phases of Construction Documents or are currently being submitted for Permitting. Projects to be complete by the Fall of 2024 will go under construction in late fall, with completion in late summer of 2024. There is one major project not included in this proposed budget: the building which will house clinical research spaces for Ballmer and PSI clinical faculty. We are still evaluating different options for these functions and anticipate bringing a proposal to the board on this matter at the December board meeting.

Costs & Sources of Funds: Full project authorization is being requested at this Board meeting for $58M. The entire project is supported by gifts and university funds in the following manner: $20M Gift Funds, $3.6M CIP Funds, $28.6M Internal Bank Presidential Initiative Funds, and $5.8M Bond funds (to be repaid with Portland Housing proceeds).

Portland Campus Renovations for Fall 2023 and Fall 2024 Occupancy

PROJECT DESCRIPTION PLANNED PROJECT

Purchase of the Portland Campus was finalized in June of 2022; made possible by a portion of the generous gift from Connie and Steve Ballmer to establish the Ballmer Institute for Children's Behavioral Health.

This Campus which sits on just over 19 acres, populated by approximately 20 buildings, contains just under 400,000 square feet of space.

The purpose of this project is to renovate buildings to enable occupancy of some of the campus by Fall Term 2023 and the remainder of the campus by Fall term 2024.

In addition to the Ballmer Institute, the programs currently in downtown Portland will be relocated to this campus by Fall 2024. This will set a path for a very optimistic future for the University of Oregon in Portland.

In the Spring of 2022 the Board of Trustees approved the purchase of the Campus. An initial budget authorization request for $10M was brought to the Board of Trustees during the December 2022 meeting for preliminary work on the necessary capital projects to ready the buildings for occupancy. Approval for the full project is currently be requested. There is one major project not included in this proposed budget: the building which will house clinical research spaces for Ballmer and PSI clinical faculty. We are still evaluating different options for housing these functions and anticipate bringing a proposal to the board on this matter at the December board meeting.

Objectives

- Establish the Ballmer Institute for Children's Behavioral Health with a presence on the Portland Campus for the start of Fall Term 2023.
- Establish a footprint for select academic and administrative units already located in Portland by the Fall Term 2023.
- Complete renovations necessary to relocate all Portland programs and house the full Ballmer Institute by Fall Term 2024.

Details

- Four to five major building renovations to be completed between Fall 2023 and Fall 2024.
- Infrastructure projects to support IT systems necessary to operate the campus.
- Site improvements to comply with City of Portland requirements and improve campus Universal Access.
- Maintenance renovations on exterior of numerous buildings to prevent additional damage or water infiltration.
- Numerous smaller renovations to upgrade buildings to UO standards for occupancy by students, faculty and staff.
- Safety improvements to fire alarm, fire sprinkler, camera systems, access control, etc.
- Re-Branding the campus to express the pride the UO has in this new Portland location.

PROJECT STATS

Project Status
Late stages of design on most buildings. Submitting for Permits. Nearing completion on phase 1 construction

Project Type: Multiple Building Renovation

Space Type: Existing Buildings

Square Footage: Existing Space

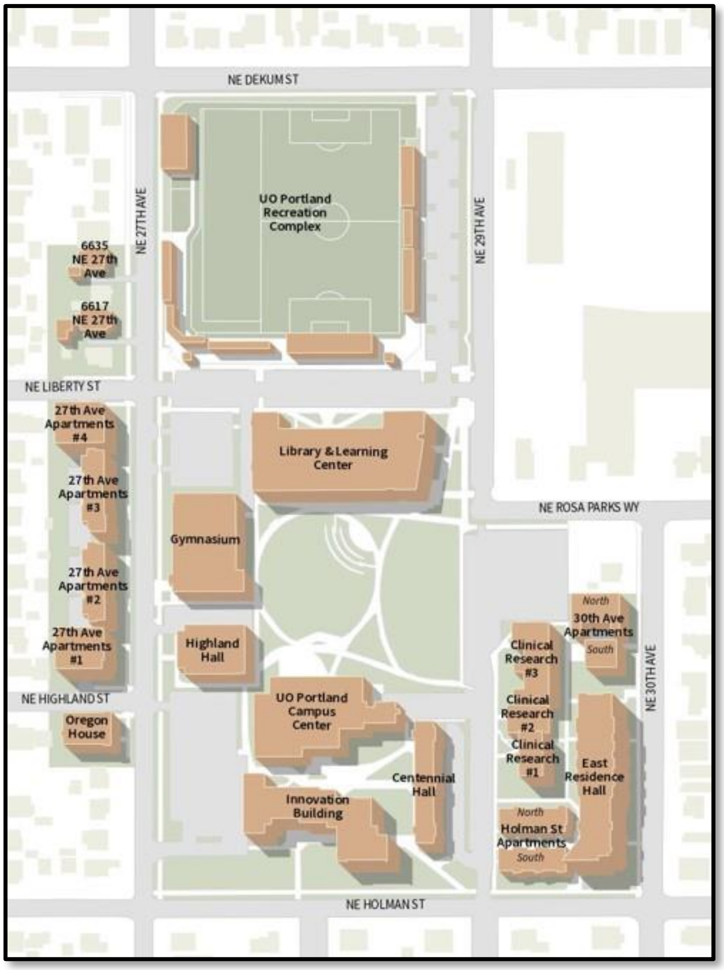
Budget Authorization Being Requested: $58M

Estimated Project Budget: $58M

Funding Source(s):
$20M Gift Funds, $3.6M State CIP Funds, $28.6M Internal Bank Presidential Initiative Funds, $5.8M Bond Funds (to be repaid with Portland Housing proceeds)

Project Completion: Summer 2024

Campus Map and Example Projects



University of Oregon – Portland Campus

Highland Hall – Design Studio Display

Campus Center - Lobby

Oregon House – Administrative Building

Innovation Building - Commons

Executive, Audit, and Governance Committee
Board of Trustees of the University of Oregon

Resolution: Authorization for Certain Capital Expenditures (UO Portland Campus – Full Project Authorization)

WHEREAS, the university has acquired the property formerly owned and operated by Concordia University in northeast Portland, to house the Ballmer Institute for Children's Behavioral Health and other UO Portland programs;

WHEREAS, programs will begin operating on the new UO Portland campus in fall of 2023 and transitioning over a two year period;

WHEREAS the existing property needs significant deferred maintenance and other facility adjustments to accommodate the Ballmer Institute and other UO Portland programs and the university has initiated site surveys, site assessments, building assessments and processes associated with initial land use regulations;

WHEREAS, in December 2022 the Board granted the university authority to spend up to $10 million for project planning costs and procurement of necessary long lead-time equipment and materials facilities at the UO Portland Campus;.

WHEREAS, the university has conducted additional due diligence and is requesting an additional $48 million of budget authority for a total authorized project budget of $58 million to complete the design and renovation of buildings associated with this project;

WHEREAS, the university has identified resources to complete the project including state funds, bonds, donor funds, and internal bank funds;

WHEREAS, the additional budget authorization being proposed for the construction project would exceed $5,000,000, a threshold requiring Board authorization.

WHEREAS, the Policy on Committees authorizes the Executive, Audit, and Governance Committee to act on behalf of the Board of Trustees.

NOW THEREFORE, the Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon hereby authorizes the President or their designee(s) to execute contracts and expend resources for the completion of the Portland Campus Renovation project, not to exceed $58,000,000, inclusive of the $10,000,000, approved in December 2022.

Moved: ___________ Seconded: __________________

Trustee	**Vote**	**Trustee**	**Vote**
Aaron		Hornecker	
Evans Jackman		Seeley	
Holwerda		Storment	

Record here if voice vote without dissent rather than roll call: ________________

Dated: ______________ Recorded: __________________

Agenda Item #3

Presidential Contract Amendment

Amended Presidential Employment Agreement

Summary of Terms and Adjustments

On March 13, 2023 the University of Oregon Board of Trustees appointed Dr. John Karl Scholz (Scholz) to be the 19th President of the University of Oregon. Scholz officially took office on July 1, 2023 and moved into the official Presidential residence known as "McMorran House."

It has been, and continues to be, the practice for university presidents to live in McMorran House. Past presidential contracts have reflected this practice, which is not captured in Scholz employment agreement. The updated agreement aligns language with past contract language on that practice to make clear that the president will live at McMorran. This properly aligns this expectation with Internal Revenue Service regulations.

In addition, the proposed language makes clear that the residence may be used by Scholz or his family for any lawful uses of the official residence, including hosting personal guests and using it for remote work and business as may be allowed by federal, state, and local law.

Proposed changes are contained in the attached amended employment agreement, Exhibit A.

All other terms of the employment agreement approved by the Board on March 13, 2023 remain unchanged.

Summary of Proposed Agreement
27 July 2023

Executive, Audit, and Governance Committee
Board of Trustees of the University of Oregon

Resolution: Presidential Employment Agreement Amendment

WHEREAS, Dr. John Karl Scholz was appointed to be the 19th President of the University of Oregon on March 13, 2003 and assumed the presidency on July 1, 2023;

WHEREAS, technical adjustments to the contract are advised to ensure compliance with guidelines of the Internal Revenue Service;

WHEREAS, ORS 352.096(1)(b) authorizes the Board to prescribe the compensation and terms and conditions of employment of the president of the University of Oregon ("University");

WHEREAS, the Policy on Committees authorizes the Executive, Audit, and Governance Committee to act on behalf of the Board of Trustees.

NOW THEREFORE, the Executive, Audit, and Governance Committee of the Board of Trustees of the University of Oregon hereby approves the updated terms of the amended presidential employment agreement with Scholz, attached hereto as Exhibit A.

Moved: ___________ Seconded: _________________

Trustee	Vote	Trustee	Vote
Aaron		Hornecker	
Evans Jackman		Seeley	
Holwerda		Storment	

Record here if voice vote without dissent rather than roll call: ________________

Dated: ______________ Recorded: _________________

Exhibit A

PRESIDENTIAL EMPLOYMENT AGREEMENT

This Presidential Employment Agreement ("Agreement") is entered into by and between the University of Oregon ("University") and John Karl Scholz ("Scholz"), each individually a "Party" and collectively, the "Parties." Upon full execution by the Parties, the Agreement will be effective as of March 13, 2023.

1.0 Appointment of President; Term of Agreement

The term of this Agreement is five (5) years, from July 1, 2023 until June 30, 2028 ("Term"), unless earlier terminated or extended as provided in this Agreement. During the Term, Scholz will also hold the position of Professor of Economics.

2.0 Duties and Responsibilities

Scholz is supervised by, and is responsible to, the Board of Trustees of the University of Oregon ("Board") for all matters concerning the University and is an advisor to the Board in matters of policy and administration. Scholz shall exercise all powers and duties delegated to the President by the Board's "Policy on Retention and Delegation of Authority," and shall also exercise all other powers and duties delegated by the Board to the President. Duties include, but are not limited to:

(a) Administration of the affairs of the University as best serves the institution consistent with Board rules, policies, and directives;
(b) Development and implementation of the University's academic, student service, athletic and overall institutional strategies and related plans;
(c) Service as an ex officio member of the Board of Trustees as required by ORS 352.076, and service as a Board officer pursuant to Article VI of the Bylaws of the University of Oregon;
(d) Reporting to the Board all significant matters within the President's knowledge related to the University;
(e) Institutional, faculty, and educational leadership, and the fostering of productive faculty and administration relationships;
(f) Long-range planning and budget formulation;
(g) Fostering a campus culture that emphasizes inclusion, belonging, safety, respect, and equity.
(h) Management of institution buildings, grounds and equipment controlled by the University;
(i) Student recruitment, success and services;
(j) Senior administration and faculty recruitment;
(k) Appointing, supervising, promoting, and dismissing employees;
(l) Enforcing expectations concerning compliance with NCAA rules;
(m) Preparing rules, policies, regulations, and procedures useful to the University's welfare;
(n) Fundraising, development, and public and alumni relations;
(o) Actively participate in local community and state affairs;
(p) Addressing and documenting compliance with Board-identified outcomes for each year; and

3.0 Devote Best Efforts to the Work as President

3.1 Scholz agrees to faithfully, industriously, and with maximum application of experience, ability, and talent devote his full business-time, attention and energies to the duties as President of the University.

3.2 Such duties will be rendered at the University's campus in Eugene, Oregon and at such other place or places as the Board and Scholz deem appropriate for the interest, needs, business or opportunity of the University.

3.3 The expenditure of reasonable amounts of time for personal or outside business, as well as charitable and professional development activities, will not be deemed a breach of this Agreement, provided such activities do not interfere with the services required to be rendered to the University and Board under this Agreement. Upon written approval by the Board, Scholz may serve on nonprofit boards and up to two for-profit corporations or other entities, to the extent permitted by law, rule and University policy. The Board will not consider any income in connection with outside activities in setting compensation under this Agreement, consistent with ORS 352.232. Should Scholz serve on a board upon entering office at University, Scholz and the University will review such service expeditiously and the Board reserves the right to require Scholz to conclude any service that would present an unmanageable conflict of commitment or interest.

3.4 Other than activities or services permitted by the Board or other University policies, and under Section 3.3 of this Agreement, Scholz will not render services of any professional nature to or for any person, firm, or entity for remuneration other than to the University, and will not engage in any activity that would cause a conflict of interest with his duties to the University. The making of passive or personal investments and the conduct of private business affairs is not prohibited by this section.

4.0 <u>Academic Rank and Funding</u>

4.1 While Scholz's administrative appointment is made by the Board independent of faculty rank, the University acknowledges that Scholz may be awarded indefinite tenure at the University upon successful completion of review pursuant to applicable University policies and procedures related to tenure and promotion, with the intention of engaging in an expedited process for the review of tenure.

4.2 Upon the termination of employment as President, except for termination with cause as defined in Section 10.1, Scholz may elect to remain a member of the University's faculty. If Scholz remains a member of the University's faculty under such terms, his salary will be $325,000 per year (9-mo), as adjusted to reflect any COLA, across-the-board, or merit increases available to faculty as well as any pay reduction programs impacting faculty subsequent to Scholz's initial appointment to the faculty. Scholz will be subject to the current Board and University rules and policies governing faculty employment, including award of indefinite tenure and other conditions of employment, including but not limited to those conditions of employment which are customarily set forth in a letter of appointment. Scholz's appointment to a college, school, division or unit of the University shall be subject to the approval of the University Provost.

4.3 If Scholz chooses to become a member of the University's faculty upon termination of employment as President, consistent with Section 4.2, Scholz shall be eligible for a leave, paid for by the University, during which Scholz shall have no obligations to engage in teaching or research, to support this transition. The leave would be for one year for service as president of five or more years, a half-year should Scholz serve for at least two years. While on leave, Scholz can be tasked with University service in the form of special projects as requested by campus leadership.

4.4 Scholz shall not be eligible to return to a position on the faculty should his employment as President be terminated for "cause" as a result of a finding by the Board of Trustees that Scholz was responsible for conduct that caused serious damage to the reputation of the University or was otherwise inconsistent with the moral and ethical standards appropriate for a public official.

4.5 Increases in Scholz's compensation as a faculty member shall be determined by the Provost, consistent with then extant policies governing faculty compensation as well as any applicable collective bargaining agreement.

5.0 <u>Salary and Benefits for Service as President</u>

5.1 Scholz's base salary will be paid in equal installments on the University's regular pay days at annual amounts as follows:

For July 1, 2023 to June 30 2024: $725,000
For July 1, 2024 to June 30 2025: $747,000
For July 1, 2025 to June 30 2026: $769,000
For July1, 2026 to June 30 2027: $792,000
For July 1, 2027 to June 30 2028: $816,000

5.2 In addition, Scholz shall be entitled to an annual supplemental contribution to an approved retirement plan, in the following amounts, which will vest on December 31 of each year and be payable to the supplemental retirement plan within 30 days thereof, and in accordance with appropriate plan document(s):

For 2023: $150,000
For 2024: $150,000
For 2025: $150,000
For 2026: $150,000
For 2027 $150,000

5.3 If Scholz remains President as of December 31, 2025, he shall be entitled to receive a retention bonus of $100,000.

5.4 If Scholz remains President as of December 31, 2028, he shall be entitled to receive a retention bonus of $100,000.

5.5 In lieu of a University-provided vehicle, Scholz will receive a monthly vehicle stipend of $1,200 funded by the University's Foundation. By accepting the monthly vehicle stipend, Scholz agrees that he is not entitled to any vehicle-related expense reimbursement when on University business or to a University owned vehicle for the discharge of his duties as President. Subject to University rules, policies, and procedures, this section does not apply when Scholz requires the use of a rental vehicle for out-of-state or air-related travel. The vehicle stipend will be reported as taxable income to Scholz.

5.6 Unless otherwise provided for in this Agreement, Scholz will receive the same benefits as other University employees, subject to applicable changes, currently including, but not limited to: medical, dental, vision, and life insurance; retirement benefits; accrual of vacation and sick leave; and staff fee privileges.

5.7 The University will provide to Scholz memberships as the Board deems useful to the performance of his duties as President. The University will pay monthly dues and approved business-related expenses. Scholz will be responsible for any personal charges including, but not limited to, rentals, lockers, personal dining, and lesson fees incurred.

5.8 The University shall pay for a comprehensive annual executive physical examination by a physician of Scholz's choosing. Scholz shall report that this requirement has been met, but is under no requirement to disclose any results of such examination to the University. The University's commitment shall be limited to $10,000 per year, after whatever costs are covered by Scholz's University-provided health insurance.

5.9 The University shall reimburse Scholz for actual costs not to exceed $40,000 of expenses for moving Scholz and his family from their current home to Eugene, Oregon.

6.0 Official Residence

6.1 As a term and condition of employment for Scholz and for the benefit and convenience of the University, the University will provide Scholz an official residence owned by the University, in which he will reside, along with members of his immediate family, during his service as President. The official residence, known as "McMorran House" is located in Eugene, Oregon, at 2315 McMorran Street. The residence offered by University to Scholz shall be used by Scholz to conduct University meetings and events on a regular and continuing basis. As part of Scholz and his family's occupancy of the official residence, they may engage in any lawful uses of the official residence, including hosting personal guests and using it for remote work and business as may be allowed by federal, state, and local law, including but not limited to the requirements of Oregon's government ethics law.

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Deleted: Scholz may, at his option and at his sole expense, choose to live at an alternative residence in an area reasonably proximate to campus. In all events, the

Deleted: Should Scholz choose to live in a residence other than that provided by the University, such residence shall not be used for official University business or entertaining. ...

6.2 Subject to the exceptions noted below, the University will maintain the official residence in good repair and pay for utilities, telephone service, cable, internet access, and similar expenses. The University will not be obligated to pay for any damage or expense caused by the willful misconduct or negligence of Scholz, his family or personal guests (normal wear and tear excepted) for which Scholz is responsible. For purposes of this section, "personal guests" means those persons not invited to the residence as part of Scholz's duties to host official and other University functions, whom Scholz invites in an exclusively personal capacity. The University will maintain the grounds of the official residence and will, consistent with longstanding University practice, provide other staffing appropriate to the reasonable and efficient operation of the household, including de minimus support in running occasional errands as is reasonably necessary to allow Scholz to meet the demands of his official duties. University will keep the official residence insured for fire and extended coverage and will pay for liability insurance on the property. In accordance with current IRS guidance, a portion of

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household expenses attributed to Scholz's personal use of the residence, including but not limited to a portion of the housekeeping and groundskeeping costs for the official residence may be reported as taxable income to Scholz.

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6.3 With the exception of furnishings already in the official residence or purchased for use in University related events or business, the residence will be furnished with furniture and furnishings at the cost of Scholz. The cost of any insurance on Scholz's personal furnishings and contents in the official residence will be borne by Scholz.

6.4 Scholz's family will be permitted to occupy the residence under the same terms and conditions for up to ninety (90) days following (i) Scholz's death or (ii) Scholz's permanent disability under the terms of this Agreement. Scholz and his family will vacate the residence by no later than thirty (30) days following the termination of his employment as President for any reason other than death or permanent disability.

7.0 Travel Expenses

Except as stated at Section 5.5 of this Agreement, University will reimburse Scholz, and, if applicable, Scholz's spouse or companion, for reasonable travel expenses, hotel bills, and other necessary and proper expenses, consistent with University's rules and policies governing travel reimbursements, when Scholz is travelling on University business, except that such payment will be made on behalf of a spouse or companion only when the presence of the spouse or companion is of benefit to the interests of the University. Such expenses shall be approved by the Chief Financial Officer or appropriate designee.

8.0 Expense Receipts and Documentation

Scholz agrees to maintain detailed accounting records, including original documentation of all expenses provided for in this Agreement in accordance with federal and state laws and regulations and University policies and procedures. Upon appointment, Scholz may request the University's Office of Internal Audit to include a review of the President's expenditures in its audit plan for the purpose of providing stakeholders assurance that expenditures are allocated appropriately and reporting is accurate and complete. Notwithstanding the foregoing, nothing in this clause is intended to diminish the authority of the Office of Internal Audit to conduct other audits at the request of the Board, routine or otherwise, in accordance with its audit Charter.

9.0 Evaluation

Scholz will be evaluated annually by the Board for performance pursuant to the Board's "Presidential Review & Evaluation Policy," which is incorporated into this Agreement by this reference.

10.0 Termination

10.1 The Board reserves the right to terminate Scholz's employment for "cause." For "cause" termination eliminates any obligation of the Board to pay Scholz beyond the effective date of termination of employment as President other than such salary and deferred compensation as has vested as of that effective date. A termination for "cause" shall end all of the University's obligations to Scholz for future compensation as President including, without limitation, any obligations to pay deferred compensation, stipends or bonuses under section 5 of this

Agreement. Scholz shall retain all rights as a member of the University faculty, but shall be subject to any and all processes then available for responding to allegations of misconduct by members of the faculty. Scholz's entitlement to continued employment as a member of the faculty shall be governed by paragraph 4.2 of this Agreement.

For cause means:

10.1.1 Gross negligence or willful misconduct including, but not limited to, acts of fraud, misappropriation of funds or University assets, or gross negligence;

10.1.2 Commission of a felony or a misdemeanor involving moral turpitude;

10.1.3 Material violation of this Agreement which causes substantial harm to the University and which is not remedied after thirty (30) calendar days' written notice thereof to Scholz;

10.1.4 Prolonged absence from duty for a period of thirty (30) calendar days or longer without Board or University consent and which absence is not due to illness or disability; or

10.1.5 Knowingly engaging in conduct that conceals from the University or protects the conduct of other university personnel where such conduct would itself fit the definition of "cause" as set forth above.

10.2 The Board reserves the right to terminate Scholz's employment and this Agreement prior to its expiration, without cause, upon thirty (30) calendar days' of prior written notice to Scholz. In the event the Board terminates this Agreement and Scholz's employment as President without cause, the University will pay Scholz his then-current, annual base salary plus associated benefits for one year from the effective date of the termination, together with all bonuses and benefits accrued under this Agreement up until the termination. During this one year post termination, Scholz shall be assigned projects and duties by the Provost and the Chair of the Board of Trustees or their designee, appropriate to support the University and a transition of leadership.

10.2.1 If in the interest of the University, Scholz may be reassigned to other duties until the effective date of the termination of this Agreement without cause. Under no circumstance will the University be liable for the loss of any collateral business opportunities or any other benefits, perquisites or income from any sources that may ensue as a result of the University's termination of this Agreement without cause. The Parties have bargained for and agreed to the foregoing provision, giving consideration to the fact that termination of this Agreement by the Board without cause prior to its expiration may cause loss to Scholz which is extremely difficult to determine with certainty. The Parties further agree that payments made based on the foregoing by the University and acceptance thereof by Scholz will constitute adequate and reasonable compensation to Scholz for any loss and injury suffered and are not intended to be a penalty. Any amounts payable to Scholz under this section will be reduced by the amount of Scholz's earnings from other employment during the period which payments under this section are paid, if applicable. Any earnings by Scholz during this period will be calculated at the greater of (i) actual earnings or (ii) fair market compensation for Scholz's employment in any other position.

10.2.2 Should the University terminate Scholz as President without cause, Scholz shall retain all rights and privileges they then enjoy as a member of the faculty, including those set forth in section 4 of this Agreement.

10.3 This Agreement and Scholz's appointment as President may be terminated by Scholz's resignation, upon Scholz providing the Board Chair with thirty calendar days' advance written notice of such resignation. Upon the effective date of Scholz's resignation, Scholz will not be entitled to any future compensation or benefits as President other than such salary earned and deferred compensation that has vested as of that date and except as set forth in the University's various benefit plans with respect to vesting and rights after termination of employment.

10.4 In the event of Scholz's death during the term of this Agreement, his employment and this Agreement will immediately terminate on the date of his death. Scholz's estate will receive all benefits to which it is entitled pursuant to the University's insurance plans in which Scholz enrolled.

10.5 If Scholz becomes permanently disabled during his employment as President, this Agreement and his employment will terminate effective on the date of his permanent disability and Scholz will receive all benefits to which he is entitled pursuant to the University's insurance plans in which Scholz enrolled. For purposes of this Agreement, "permanent disability" will mean that in the opinion of a qualified medical professional jointly selected by the University and Scholz (or in the event of Scholz's incapacity, the person designated as his power of attorney or other duly authorized representative), that Scholz is unable to perform the essential functions of the job for a period of six continuous months, with reasonable accommodation (as such term is defined in 42 U.5.C. § 12111(9), as amended, and in the common law interpreting the same).

11.0 <u>NCAA Compliance Expectations</u>

As President, Scholz has an affirmative obligation to cooperate fully in any NCAA infractions process, including the investigation and adjudication of a case. Should Scholz be found in violation of NCAA regulations they are subject to disciplinary or corrective action as set forth in the provision of the NCAA infractions process.

12.0 <u>Severability</u>

If any provision of this Agreement is determined to be void, invalid, unenforceable or illegal for any reason, it will be ineffective only to the extent of such prohibition and the validity and enforceability of all the remaining provisions will not be affected thereby.

13.0 <u>Modification</u>

This Agreement may not be modified or extended except by written instrument signed by Scholz and authorized by the Board.

14.0 Entire Agreement

This Agreement contains the entire understanding of the Parties, and there are no representations, warranties, covenants, or undertakings other than those expressly set forth herein.

15.0 Prior Agreements

This Agreement cancels and supersedes any and all prior agreements entered into between the Parties.

16.0 Indemnification

To the extent permitted by Article XI, Section 7 of the Oregon Constitution, the provisions of the Oregon Tort Claims Act, and the University's Bylaws, the Board will indemnify Scholz and hold him harmless against legal fees, expenses, judgments and other financial amounts incurred while serving in his capacity as President of the University. Scholz will continue to be indemnified subsequent to the termination of his employment as President with respect to acts or omissions occurring while they served as President.

17.0 Waiver

No delay or failure to enforce any provisions of this Agreement will constitute a waiver or limitation of rights enforceable under this Agreement.

18.0 Governing Law; Forum

This Agreement will be interpreted and construed in accord with the laws of the State of Oregon, without regard to the principles of conflicts of laws. Any lawsuit or claim arising from this Agreement will be brought and conducted solely and exclusively within the Circuit Court of Lane County for the State of Oregon; provided, however, if a lawsuit or claim must be brought in a federal forum, then it will be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

19.0 Counterparts

This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which will constitute but one of the same instrument. Signatures delivered by facsimile and by email will be deemed to be an original signature for all purposes, including for purposes of any applicable Rules of Evidence.

20.0 Applicable Laws and Regulations

All provisions of this Agreement are subject to the laws of the State of Oregon and, unless otherwise stated, the rules, policies, and internal management directives of the University.

IT IS SO AGREED:

____ ______________________
Ginevra Ralph, Board Chair Date

____ ______________________
John Karl Scholz Date