

**BUSINESS AFFAIRS AND HUMAN RESOURCES  
APRIL 20-21, 2006**

---

| <b>TAB</b> | <b>DESCRIPTION</b>   | <b>ACTION</b>     |
|------------|--|-------------------|
| <hr/>      |  |                   |
|            | <b>BOISE STATE UNIVERSITY</b>  |                   |
| <b>1</b>   | Men's Head Football Coach Contract (Deferred from February, 2006 agenda) | Motion to approve |
| <hr/>      |  |                   |
|            | <b>BOISE STATE UNIVERSITY</b>  |                   |
| <b>2</b>   | New Development Positions  | Motion to approve |
| <hr/>      |  |                   |

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

**INSTITUTION / AGENCY AGENDA**  
**BOISE STATE UNIVERSITY**

**SUBJECT**

Boise State University (BSU) requests approval of the employment contract and addendum to the contract for head football coach, Chris Petersen.

**APPLICABLE STATUTE, RULE OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section II.H.1.

**DISCUSSION**

In December, after accepting the resignation of the previous head football coach, the position was offered to Chris Petersen, contingent upon Board approval. Petersen had been the assistant football coach for the Bronco's. Attachment I, the employment contract, contains the duties, responsibilities and conditions of employment. Addendum No. 1 (Attachment II) contains additional terms and compensation. Attachment III is Model Contract Matrix that identifies departures from the model contract form and provides justification for these changes.

**IMPACT**

The term for both the Employment Contract and the Addendum is five years commencing January 1, 2006 and terminating on December 31, 2010. The base salary for January 1-December 31, 2006 is \$141,744. There is additional compensation from media and public appearances (non-state funds) for this same time period in the amount of \$358,256, resulting in a total salary for 2006 of \$500,000. The total salary outlined above may be paid to the Coach by the University or by radio or television stations that own the rights to University broadcasts, or by other third party sources, or by any combination of the University, radio station, television station, and other sources. There are additional incentives and expectations as detailed in the attached proposed contract addendum.

**STAFF AND COMMENTS AND RECOMMENDATIONS**

Staff has reviewed the contract, and Addendum, and notes the following:

Academic incentive pay may be earned (see section 3.2) in the amount of \$20,000 if the annual football team Academic Progress Rate (APR) rating (for the previous fall and spring semesters) exceeds the target level set annually by the Director of Athletics, but in no case less than 955. The following APR's (two-year average) are offered for comparative purposes (from BSU APR item in Consent Agenda, Tab 5):

Division I Football National Average APR = 930  
Division I Football National Average APR (Public Institutions) = 920  
Division I Football National APR (Private Institutions) = 955

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

**INSTITUTION / AGENCY AGENDA**  
**BOISE STATE UNIVERSITY - continued**

The following list shows the top APR scores for each of three athletic conferences, and BSU's ranking:

| <u>Conference</u> | <u>University</u>  | <u>APR Score</u> |
|-------------------|--------------------|------------------|
| PAC-10            | Stanford           | 995              |
| Mtn West          | Air Force Academy  | 967              |
| Mtn West          | Utah               | 954              |
| Mtn West          | Texas Christian    | 953              |
| WAC               | Fresno State       | 950              |
| <b>WAC</b>        | <b>Boise State</b> | <b>948</b>       |

**BOARD ACTION**

A motion to approve the Employment Contract and Addendum Number 1 to Employment Agreement for Chris Petersen, head football coach at Boise State University.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes\_\_\_\_\_ No\_\_\_\_\_

**EMPLOYMENT AGREEMENT**

This Employment Agreement (Agreement) is entered into by and between Boise State University (University) and Chris Petersen (Coach).

**ARTICLE 1**

1.1. Employment. Subject to the terms and conditions of this Agreement, the University shall employ Coach as the head coach of its intercollegiate football team (Team). Coach represents and warrants that Coach is fully qualified to serve, and is available for employment, in this capacity.

1.2. Reporting Relationship. Coach shall report and be responsible directly to the University's Director of Athletics (Director) or the Director's designee. Coach shall abide by the reasonable instructions of Director or the Director's designee and shall confer with the Director or the Director's designee on all administrative and technical matters. Coach shall also be under the general supervision of the University's President (President).

1.3. Duties. Coach shall manage and supervise the Team and shall perform such other duties in the University's athletic program as the Director may assign and as may be described elsewhere in this Agreement. Coach shall, to the best of his ability and consistent with University policies, perform all duties and responsibilities customarily associated with a Division I-A head football coach.

**ARTICLE 2**

2.1. Term. This Agreement is for a fixed-term appointment of five ( 5 ) years, commencing on January 1, 2006 and terminating, without further notice to Coach, on December 31, 2010 unless sooner terminated in accordance with other provisions of this Agreement

2.2. Extension or Renewal. This Agreement is renewable solely upon an offer from the University and an acceptance by Coach, both of which must be in writing and signed by the parties. Any renewal is subject to the prior approval of University's Board of Trustees. This Agreement in no way grants to Coach a claim to tenure in employment, nor shall Coach's service pursuant to this agreement count in any way toward tenure at the University.

**ARTICLE 3**

3.1 Regular Compensation.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

3.1.1 In consideration of Coach's services and satisfactory performance of this Agreement, the University shall provide to Coach:

- a) A salary as set form in the attached Addendum, payable in biweekly installments in accordance with normal University procedures (except as provided in the Addendum), and such salary increases as may be determined appropriate by the Director and President and approved by the University's Board of Trustees;
- b) The opportunity to receive such employee benefits calculated on the "base salary" as the University provides generally to non-faculty exempt employees; and
- c) The opportunity to receive such employee benefits as the University's Department of Athletics (Department) provides generally to its employees of a comparable level. Coach hereby agrees to abide by the terms and conditions, as now existing or hereafter amended, of such employee benefits.

3.2 Supplemental Compensation. As set forth in the attached Addendum.

3.2.1 Any such supplemental compensation paid to Coach shall be accompanied with a detailed justification for the supplemental compensation and such justification shall be separately reported to the Board of Trustees as a document available to the public under the Idaho Public Records Act.

3.2.2 The Coach may receive the compensation hereunder from the University or the University's designated media outlet(s) or a combination thereof each year during the term of this Agreement in compensation for participation in media programs and public appearances (Programs). Agreements requiring the Coach to participate in Programs related to his duties as an employee of University are the property of the University. The University shall have the exclusive right to negotiate and contract with all producers of media productions and all parties desiring public appearances by the Coach. Coach agrees to cooperate with the University in order for the Programs to be successful and agrees to provide his services to and perform on the Programs and to cooperate in their production, broadcasting, and telecasting. It is understood that neither Coach nor any assistant coaches shall appear without the prior written approval of the Director on any competing radio or television program (including but not limited to a coach's show, call-in show, or interview show) or a regularly scheduled news segment, except that this prohibition shall not apply to routine news media interviews for which no compensation is received. Without the prior written approval of the Director, Coach shall not appear in any commercial endorsements which are broadcast on radio or television that conflict with those broadcast on the University's designated media outlets.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

3.2.3 **SUMMER CAMP—OPERATED BY UNIVERSITY.** Coach agrees that the University has the exclusive right to operate youth football camps on its campus using University facilities. The University shall allow Coach the opportunity to earn supplemental compensation by assisting with the University's camps in Coach's capacity as a University employee. Coach hereby agrees to assist in the marketing, supervision, and general administration of the University's football camps. Coach also agrees that Coach will perform all obligations mutually agreed upon by the parties. In exchange for Coach's participation in the University's summer football camps, the University shall pay Coach supplemental compensation during each year of his employment as head football coach at the University.

3.2.4 Coach agrees that the University has the exclusive right to select footwear, apparel and/or equipment for the use of its student-athletes and staff, including Coach, during official practices and games and during times when Coach or the Team is being filmed by motion picture or video camera or posing for photographs in their capacity as representatives of University. In order to avoid entering into an agreement with a competitor of any University selected vendors, Coach shall submit all outside consulting agreements to the University for review and approval prior to execution. Coach shall also report such outside income to the University in accordance with NCAA rules. Coach further agrees that Coach will not endorse any athletic footwear, apparel and/or equipment products, and will not participate in any messages or promotional appearances which contain a comparative or qualitative description of athletic footwear, apparel or equipment products.

3.3 General Conditions of Compensation. All compensation provided by the University to Coach is subject to deductions and withholdings as required by law or the terms and conditions of any fringe benefit in which Coach participates. However, if any fringe benefit is based in whole or in part upon the compensation provided by the University to Coach, such fringe benefit shall be based only on the compensation provided pursuant to section 3.1.1 and paid from the University to Coach, except to the extent required by the terms and conditions of a specific fringe benefit program.

**ARTICLE 4**

4.1. Coach's Specific Duties and Responsibilities. In consideration of the compensation specified in this Agreement, Coach, in addition to the obligations set forth elsewhere in this Agreement, shall:

4.1.1. Devote Coach's full time and best efforts to the performance of Coach's duties under this Agreement;

4.1.2. Develop and implement programs and procedures with respect to the evaluation, recruitment, training, and coaching of Team members which enable

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

them to compete successfully and reasonably protect their health, safety, and well-being;

4.1.3. Observe and uphold all academic standards, requirements, and policies of the University and encourage Team members to perform to their highest academic potential and to graduate in a timely manner; and

4.1.4. Know, recognize, and comply with all applicable laws and the policies, rules and regulations of the University, the University's governing board, the conference, and the NCAA; supervise and take appropriate steps to ensure that Coach's assistant coaches, any other employees for whom Coach is administratively responsible, and the members of the Team know, recognize, and comply with all such laws, policies, rules and regulations; and immediately report to the Director and to the Department's Director of Compliance if Coach has reasonable cause to believe that any person or entity, including without limitation representatives of the University's athletic interests, has violated or is likely to violate any such laws, policies, rules or regulations. Coach shall cooperate fully with the University and Department at all times. The names or titles of employees whom Coach supervises are attached as Exhibit C. The applicable laws, policies, rules, and regulations include: (a) State Board of Education and Board of Regents of the University of Idaho Governing Policies and Procedures and Rule Manual; (b) University's Policy Handbook; (c) University's Administrative Procedures Manual; (d) the policies of the Department; (e) NCAA rules and regulations; and (f) the rules and regulations of the football conference of which the University is a member.

4.2 Outside Activities. Coach shall not undertake any business, professional or personal activities, or pursuits that would prevent Coach from devoting Coach's full time and best efforts to the performance of Coach's duties under this Agreement, that would otherwise detract from those duties in any manner, or that, in the opinion of the University, would reflect adversely upon the University or its athletic program. Subject to the terms and conditions of this Agreement, Coach may, with the prior written approval of the Director, who may consult with the President, enter into separate arrangements for outside activities and endorsements which are consistent with Coach's obligations under this Agreement. Coach may not use the University's name, logos, or trademarks in connection with any such arrangements without the prior written approval of the Director and the President.

4.3 NCAA Rules. In accordance with NCAA rules, Coach shall obtain prior written approval from the University's President for all athletically related income and benefits from sources outside the University and shall report the source and amount of all such income and benefits to the University's President whenever reasonably requested, but in no event less than annually before the close of business on June 30th of each year or the last regular University work day preceding June 30th. The report shall be in a format reasonably satisfactory to University. In no event shall Coach accept or receive directly or indirectly any monies, benefits, or gratuities whatsoever from any person, association, corporation, University booster club, University alumni association,

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

University foundation, or other benefactor, if the acceptance or receipt of the monies, benefits, or gratuities would violate applicable law or the policies, rules, and regulations of the University, the University's governing board, the conference, or the NCAA.

4.4 Hiring Authority. Coach shall have the responsibility and the sole authority to recommend to the Director the hiring and termination of assistant coaches for the Team, but the decision to hire or terminate an assistant coach shall be made by the Director and shall, when necessary or appropriate, be subject to the approval of President and the University's Board of Trustees.

4.5 Scheduling. Coach shall consult with, and may make recommendations to, the Director or the Director's designee with respect to the scheduling of Team competitions, but the final decision shall be made by the Director or the Director's designee.

4.7 Other Coaching Opportunities. Coach shall not, under any circumstances, interview for, negotiate for, or accept employment as a coach at any other institution of higher education or with any professional sports team requiring performance of duties set forth herein prior to the expiration of this Agreement, without the prior approval of the Director. Such approval shall not unreasonably be withheld. Coach shall not negotiate for or accept employment, under any circumstances, as a coach at any other institution of higher education or with any professional sports team requiring the performance of the duties set forth herein without first giving ten (10) days prior written notice to the Director.

## ARTICLE 5

5.1 Termination of Coach for Cause. The University may, in its discretion, suspend Coach from some or all of Coach's duties, temporarily or permanently, and with or without pay; reassign Coach to other duties; or terminate this Agreement at any time for good or adequate cause, as those terms are defined in applicable rules and regulations.

5.1.1 In addition to the definitions contained in applicable rules and policies, University and Coach hereby specifically agree that the following shall constitute good or adequate cause for suspension or termination of this Agreement:

- a) A deliberate or major violation of Coach's duties under this agreement or the refusal or unwillingness of Coach to perform such duties in good faith and to the best of Coach's abilities;
- b) The failure of Coach to remedy any violation of any of the terms of this agreement within 30 days after written notice from the University;

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

- c) A deliberate or major violation by Coach of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference or the NCAA, including but not limited to any such violation which may have occurred during the employment of Coach at another NCAA or NAIA member institution;
- d) Ten (10) working days' absence of Coach from duty without the University's consent;
- e) Any conduct of Coach that constitutes moral turpitude or that would, in the University's judgment, reflect adversely on the University or its athletic programs;
- f) The failure of Coach to represent the University and its athletic programs positively in public and private forums;
- g) The failure of Coach to fully and promptly cooperate with the NCAA or the University in any investigation of possible violations of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA;
- h) The failure of Coach to report a known violation of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA, by one of Coach's assistant coaches, any other employees for whom Coach is administratively responsible, or a member of the Team; or
- i) A violation of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA, by one of Coach's assistant coaches, any other employees for whom Coach is administratively responsible, or a member of the Team if Coach knew or should have known by ordinary supervision of the violation and could have prevented it by such ordinary supervision.

5.1.2 Suspension or termination for good or adequate cause shall be effectuated by the University as follows: before the effective date of the suspension, reassignment, or termination, the Director or his designee shall provide Coach with notice, which notice shall be accomplished in the manner provided for in this Agreement and shall include the reason(s) for the contemplated action. Coach shall then have an opportunity to respond. After Coach responds or fails to respond, University shall notify Coach whether, and if so when, the action will be effective.

5.1.3 In the event of any termination for good or adequate cause, the University's obligation to provide compensation and benefits to Coach, whether direct,

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

indirect, supplemental or collateral, shall cease as of the date of such termination, and the University shall not be liable for the loss of any collateral business opportunities or other benefits, perquisites, or income resulting from outside activities or from any other sources.

5.1.4 If found in violation of NCAA regulations, Coach shall, in addition to the provisions of Section 5.1, be subject to disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedures. This section applies to violations occurring at the University or at previous institutions at which the Coach was employed.

5.2 Termination of Coach for Convenience of University.

5.2.1 At any time after commencement of this Agreement, University, for its own convenience, may terminate this Agreement by giving ten (10) days prior written notice to Coach.

5.2.2 In the event that University terminates this Agreement for its own convenience, University shall be obligated to pay Coach, as liquidated damages and not a penalty, the "total salary" set forth in section 3.1.1, excluding all deductions required by law, on the regular paydays of University until the term of this Agreement ends or until Coach obtains reasonably comparable employment, whichever occurs first. In addition, Coach will be entitled to continue his health insurance plan and group life insurance as if he remained a University employee until the term of this Agreement ends or until Coach obtains reasonably comparable employment, whichever occurs first. Coach shall be entitled to no other compensation or fringe benefits, except as otherwise provided herein or required by law.

5.2.3 The parties have both been represented by, or had the opportunity to consult with, legal counsel in the contract negotiations and have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that the Coach may lose certain benefits, supplemental compensation, or outside compensation relating to his employment with University, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by University and the acceptance thereof by Coach shall constitute adequate and reasonable compensation to Coach for the damages and injury suffered by Coach because of such termination by University. The liquidated damages are not, and shall not be construed to be, a penalty.

5.3 Termination by Coach for Convenience.

5.3.1 The Coach recognizes that his promise to work for University for the entire term of this Agreement is of the essence of this Agreement. The Coach also recognizes that the University is making a highly valuable investment in his employment by entering into this Agreement and that its investment would be lost were he to resign

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

or otherwise terminate his employment with the University before the end of the contract term.

5.3.2 The Coach, for his own convenience, may terminate this Agreement during its term by giving prior written notice to the University. Termination shall be effective ten (10) days after written notice is given to the University. Such termination must occur at a time outside the football playing season (including bowl game season) so as to minimize the impact on the program.

5.3.3 If the Coach terminates this Agreement for convenience at any time, all obligations of the University shall cease as of the effective date of the termination. If the Coach terminates this Agreement for his convenience and pursues employment in football, coaching or any capacity in sports he shall pay to the University, as liquidated damages and not a penalty, for the breach of this Agreement the following sum: (a) if the Agreement is terminated before the final game of the 2007 football season (including a bowl game), the sum of \$750,000.00; (b) if the Agreement is terminated after the final game of the 2007 football season (including a bowl game) but before the final game of the 2008 football season (including a bowl game), the sum of \$650,000.00; (b) if the Agreement is terminated after the final game of the 2008 football season (including a bowl game) but before the final game of the 2009 football season (including a bowl game) , the sum of \$550,000.00. The liquidated damages shall be due and payable within ten (10) days of the effective date of the termination, and any unpaid amount shall bear simple interest at a rate twelve (12) percent per annum until paid.

5.3.4 The parties have both been represented by, or had the opportunity to consult with, legal counsel in the contract negotiations and have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that the University will incur administrative and recruiting costs in obtaining a replacement for Coach and lose the benefit of its investment in the Coach, in addition to potentially increased compensation costs if Coach terminates this Agreement for convenience, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by Coach and the acceptance thereof by University shall constitute adequate and reasonable compensation to University for the damages and injury suffered by it because of such termination by Coach. The liquidated damages are not, and shall not be construed to be, a penalty.

5.3.5 Except as provide elsewhere in this Agreement, if Coach terminates this Agreement for convenience, he shall forfeit to the extent permitted by law his right to receive all supplemental compensation and other payments.

5.4 Termination due to Disability or Death of Coach.

5.4.1 Notwithstanding any other provision of this Agreement, this Agreement shall terminate automatically if Coach becomes totally or permanently

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

disabled as defined by the University's disability insurance carrier, becomes unable to perform the essential functions of the position of head coach, or dies.

5.4.2 If this Agreement is terminated because of Coach's death, Coach's salary and all other benefits shall terminate as of the last day worked, except that the Coach's personal representative or other designated beneficiary shall be paid all compensation due or unpaid and death benefits, if any, as may be contained in any fringe benefit plan now in force or hereafter adopted by the University and due to the Coach's estate or beneficiaries hereunder.

5.4.3 If this Agreement is terminated because the Coach becomes totally or permanently disabled as defined by the University's disability insurance carrier, or becomes unable to perform the essential functions of the position of head coach, all salary and other benefits shall terminate, except that the Coach shall be entitled to receive any compensation due or unpaid and any disability-related benefits to which he is entitled by virtue of employment with the University.

5.5 Interference by Coach. In the event of termination or suspension, Coach agrees that Coach will not interfere with the University's student-athletes or otherwise obstruct the University's ability to transact business or operate its intercollegiate athletics program.

5.6 No Liability. The University shall not be liable to Coach 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 any termination of this Agreement by either party or due to death or disability or the suspension or reassignment of Coach, regardless of the circumstances.

5.7 Waiver of Rights. Because the Coach is receiving a multi-year contract and the opportunity to receive supplemental compensation and because such contracts and opportunities are not customarily afforded to University employees, if the University suspends or reassigns Coach, or terminates this Agreement for good or adequate cause or for convenience, Coach shall have all the rights provided for in this Agreement but hereby releases the University from compliance with the notice, appeal, and similar employment-related rights provide for in the State Board of Education and Board or Regents of the University of Idaho Rule Manual (IDAPA 08) and Governing Policies and Procedures Manual, and the University Policies or Faculty-Staff Handbook.

## ARTICLE 6

6.1 Board Approval. This Agreement shall not be effective until and unless approved of the University's Board of Trustees and executed by both parties as set forth below. In addition, the payment of any compensation pursuant to this agreement shall be subject to the approval of the University's Board of Trustees, the President, and the Director; the sufficiency of legislative appropriations; the receipt of sufficient funds in the

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

account from which such compensation is paid; and the Board of Trustees and University's rules or policies regarding financial exigency.

6.2 University Property. All personal property (excluding vehicle(s) provided through the football program), material, and articles of information, including, without limitation, keys, credit cards, personnel records, recruiting records, team information, films, statistics or any other personal property, material, or data, furnished to Coach by the University or developed by Coach on behalf of the University or at the University's direction or for the University's use or otherwise in connection with Coach's employment hereunder are and shall remain the sole property of the University. Within twenty-four (24) hours of the expiration of the term of this agreement or its earlier termination as provided herein, Coach shall immediately cause any such personal property, materials, and articles of information in Coach's possession or control to be delivered to the Director.

6.3 Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party.

6.4 Waiver. No waiver of any default in the performance of this Agreement shall be effective unless in writing and signed by the waiving party. The waiver of a particular breach in the performance of this Agreement shall not constitute a waiver of any other or subsequent breach. The resort to a particular remedy upon a breach shall not constitute a waiver of any other available remedies.

6.5 Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of the Agreement shall not be affected and shall remain in effect.

6.6 Governing Law. This Agreement shall be subject to and construed in accordance with the laws of the state of Idaho as an agreement to be performed in Idaho. Any action based in whole or in part on this Agreement shall be brought in the courts of the state of Idaho.

6.7 Oral Promises. Oral promises of an increase in annual salary or of any supplemental or other compensation shall not be binding upon the University.

6.8 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (including financial inability), shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage.

6.9 Non-Confidentiality. The Coach hereby consents and agrees that this document may be released and made available to the public after it is signed by the

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

Coach. The Coach further agrees that all documents and reports he is required to produce under this Agreement may be released and made available to the public at the University's sole discretion.

6.10 Notices. Any notice under this Agreement shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University:                    Director of Athletics  
    1910 University Drive  
    Boise, Idaho 83725-1020

with a copy to:                    President  
    1910 University Drive  
    Boise, Idaho 83725-1000

the Coach:                         Chris Petersen  
    Last known address on file with  
    University's Human Resource Services

Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whomever received, shall always be effective.

6.11 Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

6.12 Binding Effect. This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties and their respective heirs, legal representatives, successors and assigns.

6.13 Non-Use of Names and Trademarks. The Coach shall not, without the University's prior written consent in each case, use any name, trade name, trademark, or other designation of the University (including contraction, abbreviation or simulation), except in the course and scope of his official University duties.

6.14 No Third Party Beneficiaries. There are no intended or unintended third party beneficiaries to this Agreement.

6.15 Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and understandings with



**ADDENDUM NO. 1 TO EMPLOYMENT AGREEMENT**

1. This is an Addendum to the Employment Agreement (Agreement) between BOISE STATE UNIVERSITY (BSU) and Chris Petersen (COACH) dated and effective the 1st day of January, 2006, subject to the approval of the State Board of Education.
2. The COACH is being hired for the position of Head Football Coach.
3. Accordingly, the following terms as used in the Agreement will be defined as indicated:
  - a. "Position" will mean the position described in paragraph 2, above.
  - b. "Relevant season" will mean the Football season commencing on the first day of fall practice and ending with the last game of the season, including any bowl game, of the Boise State University Broncos.
  - c. "Program" shall mean the Football program.
  - d. "Applicable conference" as of the date of this Addendum means the Western Athletic Conference.
  - e. "NCAA" means the National Collegiate Athletic Association.
    1. "APR" means Academic Progress Rate as used by the NCAA to track academic progress of NCAA eligible student athletes and NCAA athletic programs.
  - f. "Athletic Director" means the BSU Director of Athletics or his designee.
  - g. "Coaching" means to direct and supervise the athletes participating in the program.
  - h. "BAA" means the Bronco Athletic Association.
  - i. "Post-season" means participation in a Bowl game.
  - j. "BCS" mean the Bowl Championship Series organization.
  - k. "Total Salary" means the total of the base salary and supplemental salary as described in sections 7.a and 7.b in any one year period.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

4. The term of this Agreement (as set forth in Section 2.1 of the Agreement) shall commence January 1<sup>st</sup>, 2006 and shall continue until the Agreement terminates on the 31st day of December, 2010; provided, however, that this provision is subject to the terms and conditions of Article IV of the Agreement concerning termination. Neither party shall have the right to terminate the Agreement prior to its date of expiration except as provided therein.
5. Specific duties and responsibilities of COACH. In addition to those set forth in the Agreement, the COACH is expected to devote full-time to coaching and recruitment involving the Football team as the Head Coach. Additional duties and responsibilities not listed will be those customarily attendant to the position of a Head Football Coach at a Division 1-A university. If COACH is required to perform any such additional duties that are not defined in the contract, COACH will be notified of his responsibility to perform these duties within a reasonable time frame.

COACH will attend all staff meetings, public relation functions, dinners, awards banquets and make appearances as directed by the Director of Athletics unless excused by the Director of Athletics. The Athletic Director shall not unreasonably withhold approval for non-attendance. Such functions shall include, but are not limited to the following:

- ◆ The annual BAA Bar-b-que
  - ◆ The weekly BAA noon luncheons during the relevant season
  - ◆ The annual BAA Endowment Dinner
  - ◆ The BSU Athletic Hall of Fame Dinner
  - ◆ The BAA Bronze Bronco Award Banquet
  - ◆ The BAA/Alumni Auction Dinner
  - ◆ All Athletic Department staff meetings called by the Director of Athletics
  - ◆ Athletic Department Graduation Reception
  - ◆ Bronco Golf Series Tournaments
6. COACH agrees to supervise any staff serving under COACH and to insure, to the maximum extent possible, that all staff persons follow all applicable University policies, NCAA, or applicable conference rules and regulations at all times.
7. Compensation: COACH will be compensated for services under the Agreement more specifically as follows:
- a. Base salary (state appropriated funds) as referred to in paragraph 3.1 of the Agreement shall be as follows:

YEAR  
January 1, 2006 – December 31, 2006

COMPENSATION  
\$141,744

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

- b. Additional salary (from media/public appearance/non-state funds) shall be as follows:

| <u>YEAR</u>                         | <u>COMPENSATION</u> |
|-------------------------------------|---------------------|
| January 1, 2006 – December 31, 2006 | \$358,256           |

- c. Total Salary (total of a. and b. above) is \$500,000.

The Total Salary outlined above may be paid to the COACH by the UNIVERSITY or by radio or television stations that own the rights to UNIVERSITY broadcasts, or by other third party sources, or by any combination of the UNIVERSITY, radio station, television station and other sources. COACH understands this potential for payment from multiple sources and that the fringe benefits are not paid or based on sources of payment other than the direct payment from the UNIVERSITY.

- d. Merit raises: Merit increases shall be made to COACH'S Total Salary annually, based upon performance in the last immediate regular and post season as follows:

- ◆ 6 wins = 5% increase in total salary
- ◆ 8 wins = 10% increase in total salary
- ◆ 10 wins = 15% increase in total salary

- e. Shoe, Apparel and Equipment Contracts: Consistent with section 3.2.4 of the Agreement, compensation to the COACH shall be negotiated on a contract-by-contract basis and shall require prior express approval by the Athletic Director.

8. Supplemental pay based upon performance (Agreement section 3.2).

- a. Supplemental pay relating to post-season national rank shall be the greater of the following:

- (i) 1/12<sup>th</sup> of Total Salary if the football team is ranked in the top 25 of either of the final two polls (used by the BCS to determine BCS rankings) at the conclusion of all the bowl games played. Currently, these polls are the Harris Poll and the USA Today Coach's Poll; or,
- (ii) 1/12<sup>th</sup> of Total Salary plus \$25,000 if the football team is ranked in the top 10 of either poll referenced in (i) above.

- b. Supplemental pay relating to regular season and post season competition shall be based on one of the following:

- (i) 1/12<sup>th</sup> of Total Salary for winning the conference championship; or,

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

- (ii) 5% of Total Salary for a post season bowl appearance without a conference championship; or,
- (iii) \$100,000 if the football team participates in any one of the five BCS bowl games.

Any supplemental pay earned pursuant to this paragraph shall be paid on February 1st following the football season in which earned.

9. Academic Incentive Pay may be earned as follows (Agreement section 3.2):

- a. \$20,000 if the annual football team APR rating (for the previous fall and spring semesters) exceeds the target level set annually by the Director, but in no case less than 955.

Any supplemental pay earned pursuant to this paragraph shall be paid on October 1<sup>st</sup> each year.

10. Employee shall have a "public relations" account of \$2,500 per year to be used for reimbursement for meals and other acceptable and appropriate activities relating to the furtherance of the business of the University and such funds shall be expended only in accordance with University and State Board of Education policies.

11. Liquidated damages: Shall be as provided for in section 5.3.3. of the Agreement.

**COACH**

**BOISE STATE UNIVERSITY**

\_\_\_\_\_  
Chris Petersen  
Head Football Coach

By: \_\_\_\_\_  
Robert Kustra  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Chris Petersen, Boise State University, Head Football Coach – Multi-Year Contract

|     | <b>Model Contract Section</b>        | <b>Contract Section</b>   | <b>Justification for Modification</b>  |
|-----|--------------------------------------|---|--|
| 1.3 | Duties                               | 1.3 Duties  | Deleted the reassignment clause and added language to define the duties of the Coach.  |
| 3.2 | Supplemental Compensation            | 3.2.1 Supplemental Compensation; language added                           | Language provides specific criteria for athletic achievement supplemental compensation and is moved from the base contract to the addendum.  |
| 3.2 | Supplemental Compensation            | 3.2.2 & 3.2.3 Supplemental Compensation; language added                   | Language provides specific criteria for athletic and academic achievement supplemental compensation and is moved from the base contract to the addendum.                                 |
| 3.2 | Supplemental Compensation            | 3.2.4 Supplemental Compensation; language deleted                         | More details regarding the apparel contracts are found in the addendum.  |
| 3.2 | Supplemental Compensation            | 3.2.5 Supplemental Compensation; language added                           | Removed the vesting language and the specific details of the compensation is moved to the addendum.  |
| 3.2 | Supplemental Compensation            | 3.2.6 Supplemental Compensation; summer camp                              | Language provides criteria and conditions applicable to coach’s operation of a summer youth camp and deletes the ability of the coach to operate the camp independent of the university. |
| 4.7 | Other Coaching Opportunities         | 4.7 Other Coaching Opportunities; language added                          | Language provides for specific duty that Coach cannot pursue other employment without prior notice.  |
| 5.3 | Termination by coach for convenience | 5.3.2, 5.3.3, 5.3.4, Termination by coach for convenience; language added | Language provides that the termination cannot occur during the   |

Chris Petersen, Boise State University, Head Football Coach – Multi-Year Contract

|  |         |          |  |
|--|---------|----------|--|
|  |         |          | season; that the buyout terms for pursuing employment in other sports capacity is \$750,000 for years one and two, \$650,000 for year three, \$550,000 for year four, and none for year five; and removal of the material breach language. |
|  | General | Addendum | The addendum contains additional specific duties of the coach as well as sets forth all the compensation terms of the contract, including performance based incentives and future year increases.  |
|  |         |          |  |

**REFERENCE – APPLICABLE STATUTE, RULE OR POLICY**

Idaho State Board of Education

**GOVERNING POLICIES AND PROCEDURES**

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: H. Policies Regarding Coaching Personnel and Athletic Directors

April 2002

---

**H. Policies Regarding Coaching Personnel and Athletic Directors (Institution Employees Only)**

1. Agreements Longer Than One Year

The chief executive officer of an institution is authorized to enter into a contract for the services of a head coach or athletic director with that institution for a term of more than one (1) year, but not more than five (5) years, subject to approval by the Board as to the terms, conditions, and compensation thereunder, and subject further to the condition that the contract of employment carries terms and conditions of future obligations of the coach or athletic director to the institution for the performance of such contracts. Each contract for the services shall follow the general form approved by the Board as a model contract. Such contract shall define the entire employment relationship between the Board and the coach or athletic director and may incorporate by reference applicable Board and institutional policies and rules, and applicable law.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

**INSTITUTION / AGENCY AGENDA**  
**BOISE STATE UNIVERSITY**

**SUBJECT**

A request by Boise State University for new positions.

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures Section II.B.3

**BACKGROUND**

Items submitted for review and approval according to Board Policy Section II. B.3.

**DISCUSSION**

Boise State University requests approval for:

- Eight (8) new development positions (7.5 FTE) supported by local funds.

**IMPACT**

Once approved, the positions can be processed on the State Employee Information System.

**STAFF COMMENTS AND RECOMMENDATIONS**

These new positions are for development staff to be located within academic units or departments (social sciences, education, arts and sciences, athletics) or within the Foundation office.

Staff recommends approval.

**BOARD ACTION**

A motion to approve the request by Boise State University for eight (8) new development positions supported by local funds.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes\_\_\_\_ No\_\_\_\_\_

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

**INSTITUTION / AGENCY AGENDA**  
**BOISE STATE UNIVERSITY - continued**

|                               |   |
|-------------------------------|---|
| Position Title                | Director, Corporate & Foundation Programs   |
| Type of Position              | Professional  |
| FTE                           | 1.0 FTE   |
| Term of Appointment           | 12 month  |
| Effective Date                | July 1, 2006  |
| Salary Range                  | \$65,000  |
| Funding Source                | Local   |
| Area/Department of Assignment | Development (Foundation)  |
| Duties and Responsibilities   | Coordinate institutional relations with corporations and foundations. Write proposals and prepare professional fundraising marketing packages.  |
| Justification of Position     | As Boise State University embarks on a comprehensive campaign, positions are needed to build relationships and create gift opportunities needed to achieve that goal. Position contingent on Foundation Board approval. |
| Position Title                | Director, Development-Athletics   |
| Type of Position              | Professional  |
| FTE                           | 1.0 FTE   |
| Term of Appointment           | 12 month  |
| Effective Date                | July 1, 2006  |
| Salary Range                  | \$60,000  |
| Funding Source                | Local   |
| Area/Department of Assignment | Development (Foundation)  |
| Duties and Responsibilities   | Prepare and implement strategies to attain annual and campaign development plans. Work with department to identify and define priority needs. Identify, cultivate, and solicit major gift prospects.                    |
| Justification of Position     | As Boise State University embarks on a comprehensive campaign, positions are needed to build relationships and create gift opportunities needed to achieve that goal. Position contingent on Foundation Board approval. |

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

**INSTITUTION / AGENCY AGENDA**  
**BOISE STATE UNIVERSITY - continued**

|                               |   |
|-------------------------------|---|
| Position Title                | Director, Development - Social Sciences & Public Affairs  |
| Type of Position              | Professional  |
| FTE                           | 1.0 FTE   |
| Term of Appointment           | 12 month  |
| Effective Date                | July 1, 2006  |
| Salary Range                  | \$60,000  |
| Funding Source                | Local   |
| Area/Department of Assignment | Development (Foundation)  |
| Duties and Responsibilities   | Prepare and implement strategies to attain annual and campaign development plans. Work with college to identify and define priority needs. Identify, cultivate, and solicit major gift prospects.                       |
| Justification of Position     | As Boise State University embarks on a comprehensive campaign, positions are needed to build relationships and create gift opportunities needed to achieve that goal. Position contingent on Foundation Board approval. |

|                               |   |
|-------------------------------|---|
| Position Title                | Director, Development-Education   |
| Type of Position              | Professional  |
| FTE                           | 1.0 FTE   |
| Term of Appointment           | 12 month  |
| Effective Date                | July 1, 2006  |
| Salary Range                  | \$60,000  |
| Funding Source                | Local   |
| Area/Department of Assignment | Development (Foundation)  |
| Duties and Responsibilities   | Prepare and implement strategies to attain annual and campaign development plans. Work with college to identify and define priority needs. Identify, cultivate, and solicit major gift prospects.                       |
| Justification of Position     | As Boise State University embarks on a comprehensive campaign, positions are needed to build relationships and create gift opportunities needed to achieve that goal. Position contingent on Foundation Board approval. |

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

**INSTITUTION / AGENCY AGENDA**  
**BOISE STATE UNIVERSITY - continued**

|                               |   |
|-------------------------------|---|
| Position Title                | Director, Development - Arts & Sciences   |
| Type of Position              | Professional  |
| FTE                           | 1.0 FTE   |
| Term of Appointment           | 12 month  |
| Effective Date                | July 1, 2006  |
| Salary Range                  | \$60,000  |
| Funding Source                | Local   |
| Area/Department of Assignment | Development (Foundation)  |
| Duties and Responsibilities   | Prepare and implement strategies to attain annual and campaign development plans. Work with college to identify and define priority needs. Identify, cultivate, and solicit major gift prospects.                       |
| Justification of Position     | As Boise State University embarks on a comprehensive campaign, positions are needed to build relationships and create gift opportunities needed to achieve that goal. Position contingent on Foundation Board approval. |

|                               |   |
|-------------------------------|---|
| Position Title                | Director, Advancement Services  |
| Type of Position              | Professional  |
| FTE                           | 1.0 FTE   |
| Term of Appointment           | 12 month  |
| Effective Date                | July 1, 2006  |
| Salary Range                  | \$60,000  |
| Funding Source                | Local   |
| Area/Department of Assignment | Development (Foundation)  |
| Duties and Responsibilities   | Serve as chief information officer for University Advancement and lead effort to effectively and consistently make use of data and technology. Oversee Advancement information systems.                                 |
| Justification of Position     | As Boise State University embarks on a comprehensive campaign, positions are needed to build relationships and create gift opportunities needed to achieve that goal. Position contingent on Foundation Board approval. |

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

**INSTITUTION / AGENCY AGENDA**  
**BOISE STATE UNIVERSITY - continued**

|                               |   |
|-------------------------------|---|
| Position Title                | Investment Officer  |
| Type of Position              | Professional  |
| FTE                           | 0.5 FTE   |
| Term of Appointment           | 12 month  |
| Effective Date                | July 1, 2006  |
| Salary Range                  | \$40,000  |
| Funding Source                | Local   |
| Area/Department of Assignment | Development (Foundation)  |
| Duties and Responsibilities   | Manage foundation investment program, coordinate investment policies and procedures with outside investment advisors and foundation investment committee. Provide staff support for the investment committee and provide reports of investment results. |
| Justification of Position     | As Boise State University embarks on a comprehensive campaign, positions are needed to build relationships and create gift opportunities needed to achieve that goal. Position contingent on Foundation Board approval.                                 |

|                               |   |
|-------------------------------|---|
| Position Title                | Development Officer, Athletics  |
| Type of Position              | Professional  |
| FTE                           | 1.0 FTE   |
| Term of Appointment           | 12 month  |
| Effective Date                | July 1, 2006  |
| Salary Range                  | \$60,000  |
| Funding Source                | Local   |
| Area/Department of Assignment | Intercollegiate Athletics   |
| Duties and Responsibilities   | Identify, cultivate and involve former student-athletes and other prospects in the activities of the athletics program.   |
| Justification of Position     | As Boise State University embarks on a comprehensive campaign, positions are needed to build relationships and create gift opportunities needed to achieve that goal. Position contingent on Foundation Board approval. |

**THIS PAGE INTENTIONALLY LEFT BLANK**

**REFERENCE – APPLICABLE STATUTE, RULE OR POLICY**

Idaho State Board of Education

**GOVERNING POLICIES AND PROCEDURES**

SECTION: II. HUMAN RESOURCES POLICIES AND PROCEDURES

Subsection: B. Appointment Authority and Procedures

August 2002

**B. Appointment Authority and Procedures**

1. Nothing herein may be construed to be in limitation of the powers of the Board as defined by Sections 33-3006, 33-3104, 33-2806, and 33-4005, Idaho Code, or as otherwise defined in the Idaho Constitution or Code.
2. **Delegation of Authority**  
The Board delegates all authority for personnel management not specifically retained to the executive director and the chief executive officers consistent with the personnel policies and procedures adopted by the Board. In fulfilling this responsibility, the executive director and chief executive officers, or their designees, may exercise their authority consistent with these policies and procedures. Provided, however, that the Board retains the authority for taking final action on any matter so identified anywhere in these policies and procedures.
3. **Specifically Reserved Board Authority**  
(Note: This is not an exclusive or exhaustive list and other reservations of Board authority may be found in other areas of these policies and procedures.) Board approval is required for the following:
  - a. **Position Authorizations**
    - (1) Any permanent new position, regardless of funding source, requires Board approval. Agenda Item Format: Requests for new position authorizations must include the following information:
      - (a) position title;
      - (b) type of position;
      - (c) FTE
      - (d) Term of appointment;
      - (e) Effective date;
      - (f) approximate salary range;
      - (g) funding source;
      - (h) area or department of assignment;
      - (i) a description of the duties and responsibilities of the position; and
      - (j) a complete justification for the position

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**APRIL 20-21, 2006**

---

(2) Any permanent position being deleted. The affected position should be identified by type, title, salary, area or department of assignment, and funding source.

b. The initial appointment of all employees to any type of position at a salary that is equal to or higher than 75% of the chief executive officer's annual salary.

c. The employment agreement of any head coach or athletic director (at the institutions only) longer than one year, and all amendments thereto.

d. The criteria established by the institutions for initial appointment to faculty rank and for promotion in rank, as well as any additional faculty ranks and criteria as may be established by an institution other than those provided for in these policies (see subsection G.) Any exceptions to the approved criteria also require Board approval.

e. The procedures established for periodic performance review of tenured faculty members. (see subsection G.)