

Million-dollar coaches move into mainstream

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By Jodi Upton And Steve Wieberg

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Pick any numbers you like to define college football's premier teams -- points scored, yards allowed.

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Or the big money earned by their coaches.

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The sport's dizzying salaries spiral has come to this, a USA TODAY study finds: The million-dollar coach, once a rarity, is now the norm. Head coaches at the NCAA's top-level schools are making an average of \$950,000 this year, not counting benefits, incentives, subsidized housing or any of the perks they routinely receive. At least 42 of the 119 Division I-A coaches are earning \$1million or more this year, up from five in 1999.

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Jim Tressel, coach of No. 1-ranked Ohio State, and Mack Brown, who steered Texas to the national championship a year ago, are among the nine coaches making more than \$2million. Iowa's Kirk Ferentz will pocket a guaranteed \$4.6million in an atypical 13-month period ending next June, including \$1.8million in one-time payments. With the incentive bonuses he still can earn, he could push his take to more than \$4.7million. That's the most among the 107 coaches for whom USA TODAY could obtain a contract or other official document showing compensation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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Multimedia is driving force

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Feeding the salary spiral, insiders and critics say, is a tidal wave of money from schools' lucrative television and apparel contracts -- and from the latest skyrocketing revenue sources, multimedia and marketing-rights deals for entire athletic programs or entire campuses.

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For example, Auburn in April signed a nine-year, \$51.3million multimedia and marketing-rights deal with ISP Sports; starting in 2008, Auburn's guaranteed annual rights fee will rise 138% to \$5.7million. While the deal covers all Auburn sports teams, its value is connected largely to fan and advertiser interest in football, says athletics director Jay Jacobs.

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Football coach Tommy Tuberville is being paid an average of \$1.5million a year under provisions related to Auburn's deal with ISP Sports -- for TV, radio and related personal-appearance work -- during his seven-year contract, which began in 2005.

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"The fact is, today, the majority of (a football head coach's) salary comes from the multimedia rights," Jacobs says.

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Above all, schools are driven to maintain or shore up a sport that's the revenue-generating backbone of most overall athletics programs.

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

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Not all athletic departments are self-supporting. Between 80% and 95% of Division I-A athletic departments still rely on either the university's general fund or student fees to balance the budget, according to NCAA financial reports obtained by USA TODAY and other academic studies.

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

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Conflicting messages?

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

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

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

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

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Iowa's president made \$390,250 last year, according to The Chronicle.

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The rise in salaries caught the eye of the House Ways and Means Committee, which in October asked the NCAA to justify why such a revenue-generating enterprise deserves tax-exempt status.

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Chairman Bill Thomas, R-Calif., in a letter to NCAA President Myles Brand, contended "excessive compensation ... makes less revenue available for other sports, causes many athletic departments to operate at a net loss, and may call into question the priorities of educational institutions."

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Thomas went on to ask: "What actions has the NCAA taken to encourage its member institutions to curb excessive compensation for college coaches?"

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Brand has urged schools not to spend beyond their means, on facilities as well as on coaches. But the NCAA can't set financial parameters for individual schools without violating antitrust laws.

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Brand's answer to Congress, in part: Much of the big money paid to coaches is underwritten by media, apparel and other outside entities, and isn't coming out of university coffers, and those coaches hardly differ from schools' faculty stars, who also have tenure.

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Incentives run gamut

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The Division I-A Athletic Directors Association conducts its own salaries survey, including the 1999 tally that found five million-dollar coaches, and executive director Dutch Baughman says there's one area where schools are trying to hold the line: incentives.

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Because of faculty complaints about "additional compensation for (coaches) doing things they should be doing anyway," Baughman says, both the number and value of incentives are being reduced. Still, USA TODAY's study found they're common:

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\*At 83 schools, more than \$23million in on-field performance bonuses are at stake as coaches and their teams approach the 2006 postseason. Florida's Urban Meyer will pocket \$37,500 for getting the Gators to next month's Southeastern Conference title game; he will effectively get another \$137,500 if the Gators win it and qualify for a Bowl Championship Series game, \$50,000 more if they get to the BCS national title game and an additional \$100,000 more if they win that.

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\*Maryland's Ralph Friedgen receives \$50,000 in any year in which he, his players or coaches essentially behave themselves -- if there are no violations of university student conduct or academic rules that result in action by the school's office of judicial programs; no arrests, indictments or convictions for "any criminal or suspected criminal conduct";

and "no neglect or willful conduct" that the athletics director deems a violation of NCAA rules.

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\*Texas' Brown gets \$20,000 if the football team's graduation rate is 50%-54% (the Division I-A average is 66%) and rises to \$100,000 at 75%.

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Top conferences, top salaries

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Overall salary packages are the biggest in college football's six biggest, richest conferences -- the Atlantic Coast Conference, Big East, Big Ten, Big 12, Pacific-10 and SEC. There, excluding bonuses, USA TODAY found the average coach's salary is \$1.4million. That's more than three times the average of \$419,000 in Conference USA, the Mountain West, Western Athletic, Mid-American and Sun Belt.

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"I don't think people are going to pay the salaries if they don't have the money," says Texas athletics director DeLoss Dodds. "If you've got the revenue, you're going to stay in the marketplace. If you don't, you can't."

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That's the rationale at Iowa, where Ferentz, in his eighth season as the Hawkeyes coach, has won 44 games and two Big Ten championships in the past five seasons. The financial aspects of his original eight-year contract were to "not be renegotiated within three years" of its October 2004 signing, but nonetheless were this May.

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The school is counting on revenues from private suites, outdoor club seats and other amenities geared to wealthier fans to cover the cost of an \$87million stadium renovation. Sustaining football's success is key to keeping those patrons happy, and the 51-year-old Ferentz is seen as the instrument of that success.

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"And so," Bowlsby says, "negotiation with a coach who had brought great stability to the program seemed to make good sense. Now, I never in my wildest dreams thought that I would be negotiating a contract with a coach with a \$2.8million base. But that's where we've gotten to."

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A former NFL offensive line coach, Ferentz has seen his value spike in the wake of approaches in recent years by rival colleges and pro teams. He interviewed with the Jacksonville Jaguars after the 2002 season. Ferentz withdrew from consideration. He received a \$72,800 raise, according to The Des Moines Register.

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Ferentz's compensation was reworked again in May. His base salary is \$1.4million this year, and he's guaranteed another \$1.4million in supplemental compensation for radio and TV and other obligations. He also got a \$400,000 longevity bonus for still being at Iowa last June 1 and a \$1.4million "one-time lump sum payment" when the school reworked his deal.

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Ferentz can get \$75,000 for getting his team to a bowl game that pays at least \$1million to each team.

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He has made a point of giving back, donating \$100,000 with his wife, Mary, to Iowa's College of Liberal Arts and Sciences several years ago, and last week announcing gifts of \$150,000 to the college and \$250,000 to the University of Iowa Children's Hospital.

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Ferentz was a 10th-grader in Pennsylvania when he decided he wanted to coach for a living. He's still doing it for love, not the money, he says, though "I've learned it's silly to leave money on the table. ... I've learned, too, that they fire you besides hire you. It's the reality of what we do."

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Are players overlooked?

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The schools have their own realities. Those straining budgets to pay their marquee coaches top dollar have been forced to tighten their belts elsewhere. And to seek out additional revenue. Transylvania (Ky.) University accounting professor Dan Fulks, who conducts the NCAA's biennial study of athletics finances, says the use and amount of student fees as a supplement are trending up, especially at schools without big football stadiums or significant ticket sales.

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The more coaches are paid, meanwhile, the louder the argument that the sport's most essential personnel -- players allowed little more than scholarships covering room, board, books and tuition -- are under-compensated and exploited. "They're saving tens of millions by not paying their players," Zimbalist says. "So they spend it on coaches."

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Individual institutions could take a stand. Says Baughman: "I'm waiting to see one of those schools step up and say, 'At the next time of a coaching change, we will not be in this marketplace.'"

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Fulks expects football revenues to level off, and that could force schools to apply the brakes. But not shift into reverse.

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"I don't think you can unring the bell. I don't think we're going to one day decide these coaches aren't worth the money and start paying them \$800,000 a year again," Bowsby says. "How does that happen? I think the answer is it doesn't."

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