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Retiring Olson gets neither big payout nor penalty

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Lute Olson will walk away from the University of Arizona sans any special financial treatment, according to school officials, who said Friday that the retirement caught them off guard.

"No, we are not buying out his contract," said Stephen J. MacCarthy, vice president of external relations.

On the other hand, Olson will not have to pay an early termination fee of \$100,000, as stipulated in his contract.

Olson will receive up to \$30,000, paid over three years, in accrued sick leave pay and could receive more than \$150,000 in accrued vacation pay on his last pay check.

A stipulation in the head coach's contract said early departure would obligate Olson to pay UA \$100,000 "in lieu of all other legal remedies," but offered the option for the penalty to be waived by UA President Robert N. Shelton, who did so Thursday.

"There's no (contract) payout," MacCarthy said. "He just retires and gets his remaining vacation pay and his remaining sick leave, which is normal for any employee."

Shelton said he had not made a contingency plan for this fall after experiencing the difficulties that followed Olson's unexpected seasonlong leave of absence last year.

"No, I didn't have a plan," Shelton said. "Is that the wrong answer? We took him at his word that he would coach. I suppose the (athletic director) is always thinking at a micro level about what would happen (if a coach left), but no, this isn't something I would have planned ahead six months ago."

Shelton said the seven-hour private discussion held in McKale Center Thursday took so long because "people were making sure that everyone was comfortable with the wording in the announcement that went out.

"The most important thing was to assure that Lute was treated well and the message that went out was clear," Shelton said. "Now it's who's going to take the reins of this year's team. Then and only then will we talk about searching for the next head basketball coach for us."

Shelton admitted UA is "very vulnerable" in terms of recruiting right now, but said he had confidence the university would find a good head coach - although probably not this year.

"We've got three strong assistant-associate coaches to provide continuity," he said. "All the outstanding coaches who are out there of Lute Olson's quality are already committed and I think it would be unlikely that they'd leave their teams midyear."

MacCarthy cited privacy concerns when asked specifics of how much vacation pay Olson might have coming to him.

However, a Tucson Citizen investigation in January found that Olson could have up to 55 days of vacation accrued at one time.

According to the University of Arizona Handbook for Appointed Personnel, full-time appointed personnel earn 22 vacation days, also called annual leave, per year.

If unused during one fiscal year, those days may be carried over to the next fiscal year, and a somewhat complicated formula ensues whereby days are taken away if too many accrue, making it impossible for any employee to ever have more than 55 days of vacation time on the books, Human Resources Director Marcia Chatalas explained in January.

If Olson had that much time coming to him, he would receive about \$156,000 in vacation pay.

MacCarthy said UA policy for "transitioning employees" says that a maximum of 1,500 hours of accrued sick leave can be given to retiring employees, up to a maximum dollar amount of \$10,000 a year for three years.

Olson announced his retirement Thursday through UA Athletics Director Jim Livengood, walking away from 25 years coaching Wildcat men's basketball and terminating his contract, which ran through the 2010-11 academic year.

In a news release Thursday, Olson said he was retiring to spend more time with his family and Shelton said he took that statement "at face value."

"I see no reason to speculate," Shelton said when asked the reason for Olson's unforeseen retirement.

Olson's annual salary - including incentives tied to players' academic achievement, NCAA postseason tournament participation and a winning record - could have exceeded \$1 million. His base pay at the time of retirement was \$737,790.

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