

Schiano's compensation even more than disclosed

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Rutgers University funnels an extra \$250,000 annually to its million-dollar football coach and another \$250,000 to his assistants through addendums to Coach Greg Schiano's contract that also provide him with the use of helicopters and jets for "university business."

The add-ons were inked in July 2007. The \$250,000 brings Schiano's total compensation to \$1.95 million, according to Athletic Director Robert Mulcahy.

Schiano set up a limited liability corporation to receive his share of the money, which comes from a firm hired to sell corporate sponsorships for Rutgers, according to the documents. The \$250,000 for his coaches was added to a \$1.25 million salary pot for assistants.

The deals were made even as Rutgers was in the midst of an ongoing budget crunch that has forced layoffs and course reductions.

Officials at Rutgers said the university needs to spend money to compete in Division I Football. The school has begun a \$102 million project to expand its stadium after Schiano led the Scarlet Knights to three straight winning seasons.

Rutgers President Richard McCormick said Rutgers had to sweeten the pot to keep Schiano. "He is by no means the top paid coach," said McCormick, reached while traveling in California. "In order to retain him we have to pay what the market requires."

The contract addendums escaped public notice and have once again raised questions about fiscal transparency at the public university, which has been cited for shoddy bookkeeping by the State Commission of Investigation.

"Rutgers has an opaque accounting system that was difficult to fathom," Lee Seglem, spokesman for the SCI, said Tuesday. "The taxpayers and tuition-paying students in the state deserve to know how their money is spent."

McCormick said he regretted that the add-ons not made public initially and pledged that the university would be more forthcoming in the future.

Schiano, the highest paid public employee in the state, got a new 10-year contract last year that provided for guaranteed compensation of more than \$1.5 million. He also gets an SUV and

other perks. The university also gave Schiano a no-interest \$800,000 loan to build a large home in Piscataway. Each year he stays at Rutgers, \$100,000 of the loan is forgiven.

The extra \$250,000 that was given to Schiano's limited liability corporation is from sponsorship revenue and directed to the coach through Nelligan Sports Marketing.

T.J. Nelligan, CEO of the firm, said the arrangement is not uncommon in Division I sports. In nine years with Rutgers, Nelligan said sponsorship revenue has jumped from \$1.5 million to \$4 million. It is expected to top \$6 million next year. Paying part of that to Schiano, he said, "is a way for Rutgers to defray costs so the taxpayer doesn't have to."

Mulcahy bristled at the suggestion that re-directing some of the revenue Nelligan raised was a means of "hiding" payment, arguing, "I was just trying to reduce what the university's commitment was. Greg had the star power to create additional sponsorships. If we didn't have Greg, then we wouldn't have the \$4 million we're getting."

Mulcahy said he has raised \$200,000 in donations to cover the cost of Schiano's air transportation.

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