



FRITZ POLLARD ALLIANCE FOUNDATION

Salary Cap Extension

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NOTE ON FRITZ POLLARD ALLIANCE:

Michael Huyghue and his team at Fritz Pollard Alliance are uniquely equipped to provide insight on the National Football League (NFL) salary cap. Huyghue, currently a professor of Sports Law and Negotiations at Cornell University in Ithaca, New York, has over 30-years of experience in the NFL. His experience includes time as a general manager, an NFL Management Council Labor Relations Counsel, a commissioner, an agent, and one of the first African Americans to hold an NFL senior leadership position. These unparalleled experiences have given him a holistic view of the challenges the salary cap presents and the best practices of how to build a roster within the constraints of the salary cap from a unique vantage point that very few people, if any, possess.

OBJECTIVES:

Through experiential learning exercises with in-depth feedback and extensive self-evaluation, participants will cultivate a deeper understanding of the NFL salary cap. The specific learning objectives are to: (1) learn the critical terms and concepts in the NFL collective bargaining agreement (CBA) relevant to the NFL salary cap from the viewpoints of coaches, team officials, and player agents; (2) develop a stronger understanding of how the salary cap affects roster composition through an introduction to our proprietary Roster Management System (RMS); (3) learn how to complete positional analyses and top 10 and top 25 breakdowns; and (4) analyze contract structures.



SALARY CAP EXERCISES

Exercise 1: Roster Composition and Free Agency – Your team missed the playoffs by one game in 2024, and you head into the 2025 offseason focused on improving the roster in order to reach the playoffs next season. Overall, the existing roster is strong except for two or three key positions, including edge rusher and tight end. Both of those positions have high quality free agents available, and both would require multi-year contract with at least 65% of the total amount fully guaranteed. Heading into 2025, your team is already above the league average in dead money you will be carrying into the season, and your team is also already 30% above the NFL average in cap spending on the defensive line. All of the players among your Top 10 highest cap values in 2024 are scheduled to return in 2025, so the signing of two high priced veteran free agents could require the release of an existing player. What considerations should you give when determining whether to sign these free agents? What alternative options should you consider for both the acquisition of new players as well as the existence of your current players?

Exercise 2: Player Injuries – After drafting a QB with your 1st round pick last season, your team is focused on providing him with more weapons on offense. Currently you have two strong WRs, but you are looking to free agency to sign a veteran slot receiver. After meeting with your coaching staff, you have identified Player X as your primary target at the start of free agency. Player X played in 9 games last year, consistently dealing with a shoulder injury throughout the season. You plan on offering him a two-year contract and have been informed by his agent that he has narrowed his list of teams he would like to sign with down to your club and one other team. Ownership wants to provide the young QB with as good a chance to succeed as possible but is also very mindful about managing the salary cap responsibly. As you put together a contract proposal for Player X, describe what elements of a contract you would include to provide the team with protection in case his shoulder injury continues to impact him next season, while still being attractive enough to get him to agree to sign with your team instead of his other options. Of note is that Player X's agent has indicated that the other team has offered a fully guaranteed deal.

Exercise 3: Guaranteed Deals with Existing Dead Money – Prior to the start of training camp following a season where your team lost in the divisional round of the playoffs, your team plans to offer an extension to Player Y, a veteran CB with six years' experience, who has started the past three seasons for your team. The bonus necessary to sign him to the extension will require your team to sign him to a five-year contract for proration purposes, with salary guarantees extending into the third year. While Player Y is a leader and key piece of your defense, after having gone through off-season workouts and mini-camp, your coaching staff feels like in a couple of years the CB you just drafted in the 3rd round of the NFL Draft is going to be a high quality starting CB who could successfully replace Player Y. Describe what elements you would



include in a contract extension to limit the amount of dead money the club would be responsible for if they released Player Y after two seasons.

Exercise 4: Strategy Behind Timing of Extensions – Following the completion of the 2024 NFL season, your team's 2022 1st round pick, an Offensive Tackle, is eligible to receive a contract extension. The player has had a very productive first three seasons, twice being selected to the Pro Bowl, and your team views him as an integral piece of the overall roster. In preliminary conversations you have had with his agent, the player wants an extension now, or he will play out his rookie deal and enter free agency. What considerations should you take into account when evaluating the pros and cons of offering an extension after the third season of a rookie contract. How has the player's stance of now or never going to impact your decision? What concerns about precedent you may be creating have on your decision?

Exercise 5: Impact of Top 10/25 – Maintaining the proper balance of players within a team's Top 10/25 is critical to long-term sustainability of a team's roster. The composition of these spots can dictate when to re-sign a player, when to approach about an extension, when to release a player, and what positions to place an emphasis on in free agency. Provide your opinion on what the ideal composition of a Top 10/25 breakdown would look like, including what percentage of your overall cap spend would be allocated to the Top 10 players, what percentage to the Top 25 players, and what percentage of the Top 25 would be players originally drafted by your team? How would you restructure your Top 25 if four of your Top ten players were upcoming free agents that you likely could not afford to re-sign?

Exercise 6: Veteran 4th Year Minimum – Following a season where your club missed the playoffs after finishing on a four-game losing streak, you were aggressive in free agency signing three high-priced free agents on the defensive side of the ball. You filled in other holes through the NFL Draft, and now are identifying remaining free agents you can sign to provide quality depth. You have identified Player Z, a free agent OG who qualifies for the Veteran Salary Benefit. His minimum salary in 2022 will be \$1,120,000, but because it will be a Qualifying Contract, his salary cap count will be \$895,000. There are other teams also interested in signing him to a Veteran Salary Benefit contract, so you don't want to lose the player. You also feel like investing in multiple years for this player is not a bad idea. What would be the best approach to take in terms of creating an offer for this player that would entice him to sign with your club?