

## Football: Pac-12 TV money can not go to CU Buffs' facilities upgrades

By Kyle Ringo Buffzone.com Boulder Daily Camera

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Significant facilities upgrades in and around Folsom Field will remain just a dream unless the University of Colorado athletic department receives an unprecedented increase in donations from fans and boosters.

The Daily Camera has learned through recent interviews with school and athletic department officials that the idea of paying for facilities upgrades with Pac-12 television revenue is not possible because the money is already spent.

Contributing to facilities upgrades could become possible down the road if the Pac-12 Network begins to generate a significant amount of revenue for each school, but that possibility is likely still several years away at the earliest and could be further away depending on the level of investment the conference requires in developing the network.

"Until the Pac-12 Network starts distributing funds, it's very difficult for us to get into too many more specifics associated with what other opportunities we have to invest until we know how much that specifically is," athletic director Mike Bohn said. "I think it's very clear our donor base and contributions are going to be critical in helping us address our facility plan and improvements to capital initiatives that are important."

Colorado will receive its first significant distribution from the Pac-12 in June when it is scheduled to receive \$18.3 million in revenue from the league's media rights contract with ESPN and FOX. That total will increase by 5.1 percent per year over the next 11 years until the contract expires.

The \$18.3 million equates to roughly 33 percent of the athletic department budget, and it's important to note that it's not an increase of \$18.3 million. In the past when it was a member of the Big 12 Conference, CU received approximately \$9.5 million in conference distributions. So it is really only receiving about \$9 million in additional revenue this year than it used to receive in its former conference.

However, the department has added significant expenses recently that have eaten away all that additional \$9 million.

One of those expenses is repaying \$22 million the department owes the school and the CU System. The vast majority of that debt -- about \$16 million -- is from shortfalls the department experienced in the transition from the Big 12 Conference to the Pac-12 over the past two years.

It cost CU approximately \$7 million to leave the Big 12 and the department received only \$3.4 million in its first year in the Pac-12 because the media rights deal covering all 12 schools hadn't started.

The school and the CU System made up the difference for the athletic department in the two transition years so that the department could continue to function normally. The school and the system also chipped in \$3 million each that doesn't need to be repaid.

The rest of the \$22 million is roughly \$6 million in coaching buyouts to Gary Barnett and Dan Hawkins as well as a portion of the \$7 million video boards installed in Folsom Field last summer.

"We really have utilized the Pac-12 revenues as they exist today for operations and will be continuing to use them for operations," said Frances Draper, vice chancellor for strategic relations. "So if they grow down the road we might be able to use some portion of that recognizing that it only produces so much financing. So what it really means is as we look at facilities, we are very dependent on donor support to be able to do that."

There are other expenses the department has added recently that also have consumed portions of the Pac-12 TV money. Those additional expenses include:

Increasing the total salary pool of the football coaching staff by approximately \$2.5 million.

Investments in basketball facilities and infrastructure and coaching salaries

Adding a women's lacrosse program to solve proportionality problems under Title IX laws

Bolstering sports medicine, strength and conditioning, sports information, compliance, academic support staffs with new personnel.

Payments on \$22 million owed to the school and the CU System that will be paid off in 2019.

"The university is definitely standing behind the athletic department," Draper said. "We've had our ups and downs and we really feel like we have them worked through to the point where we have a good system and we've brought in a great new coach and we've got very strong academic support. So we've got all the pieces to build this going forward. At times the university has to back up the department and the department has been very good about meeting its obligations."

Bohn said changing conferences was a decision made with the next 50 to 100 years in mind at CU and the cost of making that change will be worth it in the long run. He said the athletic department obviously wouldn't be in nearly as much debt today as it is if it had remained in the Big 12 Conference, but it would still have many of the old problems of being in that conference.

Some of those problems include not sharing revenue equally across the conference, playing a majority of the time in a geographical footprint in which only a small percentage of CU alumni live, each school controlling its own third-tier television rights.

Bohn said being a conference that distributes revenues equally among its members and one that is based on the West Coast is much better for the school and the athletic department long term versus its old league, which has since expanded as far east as West Virginia.

"The challenge we've been going through is obviously that transition couple of years and that is now almost behind us," Bohn said. "We have a wonderful plan and great collaboration with campus and the system office to pull that together. Now it's important for us to continue to show the vision for the program and where we're going and inspire our donor base to understand that everybody in the Pac-12 Conference got the exact same distribution as we did and it will be important for us to build an intensity of interest in donors and fan support, similar to what is going on in basketball, so that we can

demonstrate an ability to be competitive in this league. It truly is the shoulder to shoulder initiative we talk about every single time."