



# Despite progress, Buffs struggle: CU depends on team to help foot bill for all sports

By Kyle Ringo  
Sunday, August 26, 2007

*Editor's note: This is the first part in a three-day series in which the Camera looks at how the CU athletic department got into financial trouble over several years, where it stands now and the challenges of the future.*

## Today:

A calamity of untimely events and questionable decisions leads the department into an \$8 million hole.

## Monday:

A new athletic administration begins to change the department's culture in hopes of winning over fans.

## Tuesday:

Significant challenges lie ahead as CU tries to remain competitive in the future.

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They've got a new locker room, new uniforms, a new varsity room and a fresh slate. So when University of Colorado football players sprint onto Invesco Field Saturday morning behind Ralphie IV, their buffalo mascot, they probably won't have a clue about the burden they carry.

The athletic department they represent has its fingers crossed they will bounce back from a 2-10 season and lure paying customers back to Boulder. A year removed from a budget crisis, the department seems to be making progress in some areas to help its bottom line. But it remains heavily dependent on its football team to win games and pay the bills.

The department must fill Folsom Field for six games this fall and continue building on recent fundraising successes if it hopes to fully recover from a deficit rooted in a 6-year-old stadium expansion that still hasn't produced the revenue promised when it was approved.

The University of Colorado decided in 2001 to build a \$42.6 million addition to Folsom Field based on a gamble that its athletic department could sell the suites and club seats it would be building and turn a profit each year.

The economy sunk. A recruiting scandal erupted. Sales failed, and a mass exodus of 6,000 season-ticket holders started. The department's budget began to collapse under the strain in 2004, with the first \$3.3 million payment due on the debt.

Two years later, in 2006, after firing its football coach and thereby adding \$4 million more to its deficit, athletics received an \$8 million loan from thecampus and dropped its men's tennis program to get back on track.

Now, as it begins another school year, the department has budgeted for a \$1.1 million increase in football ticket sales over last year, and the same risk remains in place. Sell seats or else.

## Fierce fight for dollars

Filling a football stadium on Saturday afternoons sounds simple in most stops on the Big 12 circuit, but at Colorado it amounts to a Herculean task with so much competition for fans' time, attention and entertainment dollars.

Boulder is unique among its peers in the Big 12 because of its proximity to a large metropolitan area with a full complement of professional sports franchises.

When the CU football team won its national title in 1990, it had only the Denver Broncos, Denver Nuggets and a minor-league baseball team with which to compete in the Denver-Boulder market. Seventeen years later, there are five additional major league pro sports teams in Denver and three new minor league teams within 50 miles of Boulder.

"It's not only competition for fans' dollars, but it's competition behind the scenes for advertising and sponsorships," longtime CU sports information director Dave Plati said. "We're in a very competitive market before you even get to the fact that Boulder is a very participatory town."

"Let's face it: There are a lot of other Big 12 towns where the game on campus that night is the only thing to do in town."

An increase in competition in the marketplace isn't the only dramatic change the department has faced since its glory days.

In 1990, the athletic department received \$4.6 million in combined institutional support from the president's office and the CU campus. That represented 43.3 percent of the department's \$10.7 million budget.

By the 2003-04 school year, 15 years later, that support had fallen to \$2.8 million, or just 6.1 percent of a \$35.7 million budget.

Football revenue is the fuel that runs the athletic department engine, but CU struggles in most years to fill its stadium on a regular basis. According to its most recent Equity in Athletics report from the 2005-06 school year, the football program produced \$23.5 million in revenue and spent \$16 million. The extra \$7 million, along with private contributions, funds the remaining 15 programs.

CU once fielded many more teams than the current NCAA Division I minimum of 16. But it was forced to cut seven programs from its department in 1980 when it found itself in a similar financial crisis with a failing football program and an unpopular coach. Chuck Fairbanks led the Buffs to a 4-18 record on the gridiron in his first two seasons in 1979 and 1980 and the program ran amok, spending more money than it made. It faced a \$968,000 shortfall in the 1980-81 fiscal year.

## **Rising debt, falling**

### **support**

Former CU Board of Regents member Jerry Rutledge recently called the confluence of decisions and events that led to the department's \$8 million shortfall a "perfect storm." Rutledge said school officials at all levels, including the board on which he served, played a part in creating the deficit.

In summary, the department built a stadium expansion that caused its debt service to rise from \$700,000 in 2003 to \$3.3 million every year beginning in 2004. It was banking on being able to pay for the expansion by selling the 41 suites and 1,903 club seats it had added.

At the same time it was expanding its stadium, CU was losing season ticket holders in droves. Sales fell from 26,901 in 2003 to 20,913 two years later. The 2004 recruiting scandal, the planned introduction of a donor-seating program and a lagging economy all likely played a part in the mass exodus. Fewer paying customers meant less revenue available to pay for the increased debt.

Regents compounded the problem by voting to postpone implementation of the donor-seating program in 2005 after 60

percent of season-ticket holders had already agreed to the increased cost. The loss of the program caused a \$1.2 million budget gap that year.

Former athletic director Dick Tharp said at least part of the \$1.2 million from the donor-seating program was earmarked for a deferred compensation clause in former football coach Gary Barnett's contract. When the money was wiped away by the regents' decision, the clause in Barnett's contract went unfunded.

In total, the stadium expansion debt, lost season-ticket revenue and the decision to delay the donor-seating program created at least \$3.5 million in debt.

After two years of bad press from the scandal and two losses to Nebraska and Texas by the combined score of 100-6, Barnett was fired in December 2005. Paying him the balance he was owed from his contract plus the additional cost of hiring Dan Hawkins away from Boise State cost the department another \$4 million.

"Did you count on some of those things happening? Of course not," Rutledge said. "I think it was pretty much a perfect storm if you ask me. No one could have predicted that."

Ric Porreca, CU's chief financial officer, said the department was overwhelmed. He said Tharp's decision to count on money from the donor-seating program to pay for Barnett's deferred salary was a crucial blunder. Porreca said the money should have been set aside from the very beginning in the budgeting process — a process in which he participated.

"I'm a cash-and-carry kind of guy," Porreca said. "I believe if you have an obligation out in the future, you should try to do what you can to prepare for that obligation. I believe there were efforts made to do that, but in the back of somebody's mind, they believed that before the end point came, they would be able to go out and find those resources."

"I think in retrospect, that has proven to be a bad strategy."

### **A roll of the dice**

The department's budget problems began when it was unable to sell the suites and club seats it built in a \$42.6 million stadium expansion.

A review of the department's annual budgets in the 10 years leading up to the project reveals that Tharp was able to keep the budget in relative balance and the department healthy. There were small surpluses in some years and small deficits in others.

Officials justified the need for the expansion on the grounds that it would become a significant source of revenue for the department and help keep the Buffs competitive in the future. Former senior associate athletic director John Meadows estimated in 2001 that suite and club seat sales could put between \$1.5 million and \$2 million in the department's coffers each year.

"I think what they thought was, 'If you fill it up, it's going to be a money-maker,'" Plati said. "But when that didn't happen, it spins the other way very quickly."

The school had reason to believe those projections could be regularly achieved. Two market analysis done by independent firms told them so. A report presented to regents in 2001 cited one of the two studies. It said, "Based on an analysis of comparable markets, conducted by an independent consultant, the Denver-Boulder market could potentially support approximately 74 suites and 2,726 clubs seats."

There seemed to be little question the athletic department could hold up its end of the bargain by selling seats and suites. "The project will create a revenue stream not only capable of financing and supporting itself, but will provide a continuing revenue source for the department for many years to come," former President Elizabeth Hoffman said in a 2001 report to regents.

Officials believed the department was taking a conservative approach because it was adding just over half as many suites and two-thirds of the total number of club seats the market analysis said the area could support.

"Unfortunately, no sooner did they take on that debt obligation and the economy went in the tank," Porreca said.

Tharp stands by the project to this day, and he is not in the minority. Despite their heavy burden in debt service on the department's bottom line, the suites and club seats will eventually become the source of revenue they were thought to be.

The key to making that happen always has been the department's ability to sell its product. It's an area in which Tharp's administration struggled. In the first two years the suites and seats were available, thousands of club seats and between eight and a dozen suites were vacant for most games.

The department has made slow and steady progress under current CU athletic director Mike Bohn. All 41 suites have been filled for nearly every game the past two seasons and club seats sales have risen, but still continue to be a problem.

"If you can't sell seats, of whatever kind, the entire department, under its present fiscal structure, is at serious risk," Tharp said. "Trying to predict 'lean times' is very difficult.

"In addition, you usually don't know until November if lean times have arrived and then expense adjustments in all the other sports are difficult. You attempt to prepare for 'lean times' by making reasonable and considered revenue and expense projections, and by budgeting some contingency expense reserve for unknown circumstances. You do not have a crystal ball and you are juggling the priorities of 16 to 17 sports."



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# Hawkins floats idea of moving CU camp

## Holding preseason practices at another locale 'would be a blast'

By Kyle Ringo

Sunday, August 26, 2007

Colorado football training camp ends today with the final practice prior to the beginning of fall classes and the arrival of game week.

Coach Dan Hawkins revealed his desire to one day hold training camp outside Boulder, possibly in the mountains. Hawkins said doing so would be conducive to team-building activities. He said he is sure the money could be raised to pay to feed and house and transport the team.

Hawkins did not suggest any specific locations.

"Send the word out. If someone has got a place out there that has a couple practice fields, I think it would be a blast," he said. "But again, I'm into the whole team building and all that. You could do a ton of really awesome things."

The Buffs open the season in six days at Invesco Field against Colorado State at 10 a.m. CU will not have a bye week through the first 11 weeks.

Hawkins dubbed the second training camp of his tenure a success Saturday after a crisp morning session in which players worked hard despite being in just shorts and shells. Hawkins said the fact that his players have learned to practice hard on a day in which they are not in full pads is a sign of maturity.

"I think it's been pretty good, I really do," Hawkins said. "I think they've worked really hard. I've liked their tempo. There has been really no wasted practices. There was a couple where we were a little bit sluggish. I think they've really answered the bell most every single time."

The team went through its 37th practice or walk-through since August 6. There were 39 different sessions scheduled in that time. The Buffs earned two breaks. They used one to go swimming and another for an afternoon paint-ball outing.

Hawkins and his staff make the most of the term two-a-days. While NCAA rules allow teams to practice twice a day, they limit the number of days in which a team can do so.

The Buffs begin fall practices with a separate practice each day for newcomers and veterans, and after the team is combined, coaches begin using walk-throughs in the evenings of the days in which there is just one practice. Hawkins, who recalls practicing three times a day during his career at Cal-Davis, said his approach is fairly standard compared with many of his counterparts across the country.

"I know most of the guys I talk to they keep them pretty monopolized during camp," Hawkins said.

### Kicking off

Hawkins said both walk-on true freshman Tyler Cope and fifth-year senior Kevin Eberhart are capable of handling kickoff duties. Hawkins said Cope, from Portland, Ore., has the edge in distance and Eberhart has the edge in hang time.

Hawkins said both will likely kick off this season, but he will probably start the year with Eberhart on the field if the Buffs kick off to start the season opener against Colorado State.

"You've got a little bit of a trade-off there," Hawkins said. "The other side of that is if you can kick it out of the end zone, it doesn't matter what your hang time is."

### Notable

Hawkins said the team will probably practice in pads today in the final practice of training camp. He said the team will likely practice in pads twice during game week — on Tuesday and Wednesday. The team has Monday off for the first day of fall classes. ... Senior Bernard Jackson missed practices again Saturday. Hawkins said he would not completely rule out Jackson playing against CSU but he called it "highly doubtful." ... Defensive lineman Jason Brace returned to practice for the first time nearly a week. ... Hawkins described CSU coach Sonny Lubick as a "very salt-of-the-earth guy." Hawkins said he got to know Lubick a few years before coming to Boulder at a Nike coaches retreat.



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Longmont, Colorado  
Monday, August 27, 2007

DAILY TIMES-CALL

Publish Date: 8/26/2007

## University of Colorado Football '07 preview

As CU seeks return to prominence, Dan Hawkins tries to build its mettle

*By Patrick Ridgell  
The Daily Times-Call*

BOULDER — Dan Hawkins was about 10 when he began to mold his idea of toughness.

His father, Norman, was a logger in Northern California who earned a living by the number of trees he fell. One day, young Dan came home from school to find his father groaning in agony.

“What happened,” he asked Mom.

“Dad drove a file through his foot,” she answered.

Loggers use round files to sharpen chain saws. It’s a few inches long, slender and sharp on one end. Norman kept his inside one boot. As a tree fell to the ground that day, a limb slid along his leg and hammered the file through his foot.

Norman pulled it out and saw a doctor. He spent the weekend lying on the couch in obvious pain. His son watched, as uncomfortable as any child who must watch a parent suffer.

On Monday, Dan got up for school. Norman was gone.

“Mom, where’s Dad?” he asked.

“He went to work,” she said.

When Norman limped into the house that night, his son wanted to know how he could go to work that day.

“How can I not?” Norman answered. “You get paid by the work you do.”

Almost four decades later, Hawkins sits at a table beside an empty practice field. His team finished its morning work on the green field almost an hour earlier, and Hawkins is telling stories about his father and discussing the challenge of making a tough football team. Because before CU can win a Big 12 title, or return to national prominence, or put 2-10 into distant memory, it better be tough. And that’s a word with wide repercussions.

Building this part of his program, in Year 2 in Boulder, can’t be taken for granted. And it can’t happen soon enough.

“Imagine a guy packing a chain saw through the mountains,” Hawkins says, “and his foot is about ready to fall off.”

Multiple meaning

Hawkins spent much of August defining toughness for his football team. No dictionary suffices. He’s always searching for the right ways.

Hawkins has studied toughness closely. He once worked with a coach named Bob Foster, who conducted a study in which he hooked up electrodes to players to measure their pain tolerance. The results showed those with the highest level came from the toughest mothers.

Hawkins likes to use examples. At one practice earlier this month, an observer mentioned to the coach how Jason Hirsh of the Colorado Rockies took a line drive off his leg, then pitched five innings not knowing it was broken.

“Oooh,” Hawkins said. “I can use that.”



"We had guys here that weren't used to being coached and being tough."  
CU running back Hugh Charles, above, on how a lack of toughness affected last season's record.

**Times-Call/Joshua Buck**

But to Hawkins, toughness isn't just being stronger than your opponent, or more resilient, or more diligent, or more mature, or more tolerant of pain. It's not machismo, and it's not about your bench press. It's all of that, and more.

"You're dealing with a culture, to some degree, where the players don't know exactly what that means," Hawkins says. "Part of that is their age. But when I was growing up, I knew exactly what toughness was. My Dad never told me, but I knew what it was.

"I think in this day and age, those things have to be really defined because they're not getting that same sort of development in their culture, in their society, in growing up.

"Go around and talk to the guys that own companies and own businesses, and they'll tell you the No. 1 frustration is the poor work force. They can't find people that are going to show up every day, put in a good day's work, be honest, take care of business."

More transition came last winter to a CU program rocked in recent years by instability when several players quit, including four offensive linemen. That left the Buffs young up front entering 2007.

When asked about the departures in February, Hawkins' answer was the so-called "rant" that made its way all over the Internet. But Hawkins' message was he lacks patience for those who are unwilling to sacrifice.

Hawkins says his players must embrace what happened last year, or as he calls it, "The whole 2-10 thing." He wants them to say they owned, lived it, breathed it and understand it.

"I talked to one of our guys a while back — and I'm not trying to cast disparaging remarks here — but I said when you were growing up and tough things happened, what was the response of your family," Hawkins says. "He said my dad left." "That's what I mean. Things get tough, you can't step away. You have to step forward."

### **Blizzards and brawls**

One day last January, cones were placed 50 yards apart on the practice field, and the team ran 300-yard shuttles, per the instructions of strength coach Jeff Pitman. Different Buffs remember different aspects of that day. No one will ever forget the weather, though.

"It had to be 15 degrees, snow coming in left to right," defensive tackle George Hypolite says. "But we rolled.

"It's funny because I used to complain about playing in rain."

"I remember Pit yelling at us, people blacking out, and if you didn't black out, it was a surprise," says quarterback Cody Norman Hawkins, who's eager to unveil his middle name.

The players say they ignored the elements and persevered. It's one example of toughness they point to these days. That day, in what might not be a coincidence, also fell around the time of the mass departures.

Then there's freshman receiver Josh Smith, who's work in camp makes him look like a star in waiting. Last weekend he bruised a kidney during a scrimmage, but kept playing. He didn't go the hospital until long after it had ended.

But a more revealing instance occurred with Smith two days earlier. He took a hit in the back while he lunged for a pass, and afterward he writhed on the ground. No trainer ran to him. Several teammates and coaches yelled, "Get up, Josh." He eventually did.

After practice, Smith sought out Hawkins and admitted, "I need to learn how to get up faster."

Hawkins cringes at anyone who harbors a sense of entitlement. One time when Hawkins' children were playing Little League Baseball, they asked him for \$50 to pay for a trophy, because every kid got a trophy. Hawkins couldn't believe it.

"What? Every kid gets a trophy?" he asked.

So Hawkins liked hearing Smith's admission.

"What's the natural reaction ... when somebody gets hurt?" Hawkins asks. "The natural reaction when someone faces adversity is lets run over there and take care of them. Maybe the best thing you should do is stand back and let them get up and cry a little bit and dust their knees off and go, 'I'm OK.'"

Maybe they Buffs are hearing.

"We have a lot of guys battling injury and stuff," Cody Hawkins says. "Guys are taking treatment a lot more seriously than last year. Last



year, you'd get sore, and then you'd try to find their way out of practice. This year guys are getting treatment and coming out."

One time this month safety Ryan Walters told defensive coordinator Ron Collins he wanted to use a certain blitz package at the start of practice. One time last week, defensive end Alonzo Barrett kept the whole line late after it had a bad day. Those instances make Hawkins say, "OK, they're starting to get it."

Whereas last year these concepts — being mature, taking ownership — were foreign, players say they now understand.

A fight erupted on the second day of camp when defensive tackle Brandon Nicholas and center Daniel Sanders exchanged shoves. Hawkins sat back to see what would happen. One time last spring Hawkins ran his team ragged in a sleet storm when no one stopped a brawl. But on this day, defensive tackle George Hypolite looked at the coach, and the coach looked back. Hypolite immediately played peacemaker.

"I can look at Hawk and he doesn't have to say anything anymore," Hypolite says. "I know what he's thinking."

Tough enough?

Did a lack of toughness lead to 2-10? No football player will admit to that. And even during 2-10, there were instances that CU remembers well. Like the time Thaddeus Washington took a helmet to the mouth against Texas Tech and returned to the game.

"You had guys busting their teeth out and still on the field playing," Hypolite says.

But the question looms as critical in 2007. And when Pitman spoke candidly about strength on the first day of camp, he suggested some aspects of toughness were missing.

"I feel confident we can go into every game no matter who we play, and we feel we can compete physically, which we couldn't do last year in a lot of cases," Pitman said.

Among players, the question triggers varied answers, but strangely enough, there's a little of Dan Hawkins in every one.

Hypolite says the Buffs "weren't consistently tough" in 2006, but now they're more consistent in everything they do.

Running back Hugh Charles says toughness did affect the record — "We had guys here that weren't used to being coached and being tough."

But linebacker Jordon Dizon says, no, toughness didn't lead to losses.

"There were a lot of times where we shot ourselves in the foot," Dizon says. "We missed assignments. We missed mental stuff."

Hawkins' favorite team remains the one he coached at Willamette in 1993. A fullback on that squad named Matt Neal dislocated a knee in a game, then showed up the next day ready to practice, saying, "I'm OK coach."

"I had tears running out of my eyes," Hawkins remembers.

That's sort of what Hawkins wants, but not exactly.

"It's not that we want to put people in jeopardy or peril, it's what your mind tells you," he says. "I believe there are some guys that go, 'I'm hurt,' and when you believe you're hurt, you're hurt. But some guys just will not accept it."

"The thing about toughness is it's not just a macho thing. It's show up everyday, it's give your best everyday, it's don't get caught up in the adulation and the lows. It's being consistent and molding that."

A lack of toughness, he says, was molded in to 2-10.

"It was part of not being as fortified as we need to be," he concludes. "Part of it is mission, part of it is resolve, to have 100 percent no excuses about finishing reps in the weight room, watching extra film. Come heck or high water, we're going to get this thing done."

"We all love our own kids ... but my wife and I have always said our No. 1 goal is to raise kids that can succeed without us. In order for that to happen, kids have to learn to fail, they have to learn to pick themselves up. They have to learn to handle their own problems."

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