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At What Price Football?

As some programs suit up (and others disband), one team's early success could be instructive

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Norfolk, Va.

Old Dominion University's fledgling football team received an unusual boost this month when three players from two now-defunct Division I programs signed on to play for the Monarchs next season.

It was the steep price tag of football that prompted the two universities, Northeastern and Hofstra, which like Old Dominion are members of the Colonial Athletic Association, to discontinue their teams after decades of competition. Yet the Monarchs, which have a football team for the first time since 1941, have rallied students, alumni, and residents of this city to support the costly venture.

Starting a football program, even at the NCAA's Division I-AA level, where Old Dominion began competing last fall, is rarely easy—particularly at a time when most colleges' finances are already stretched thin. Old Dominion had the advantage of completing much of its preparation before the full impact of the recession hit. Still, its early success offers a lesson in how to pull off a football debut.

Several other colleges in Division I-AA are hoping to replicate Old Dominion's running start. Responding to intense demand from their students and alumni, they are in various stages of rolling out programs.

Among them are the University of South Alabama, which also introduced its team last fall, and Georgia State University, which begins competition next season. The University of Texas at San Antonio is slated to start playing in 2011. Kennesaw State University, the only Division I institution in the football-crazy state of Georgia without a team, announced in December it would explore the viability of adding one (and hired the legendary Georgia coach Vince Dooley to lead the project).

The University of North Carolina at Charlotte, which announced in

2008 that it would add a football team in 2013, however, has struggled to raise money. Companies that initially offered financial support have pulled back, as have individual donors. So far the university has brought in less than \$6-million of the \$45-million needed to move forward, and is awaiting approval from state officials on a student-fee increase that would significantly offset football's costs.

Still, the 49ers are determined to make the sport a reality, says Judith W. Rose, Charlotte's athletic director. "This is a long-term vision for the university," she says. "If we're going to be the university we want to be, if we're going to be perceived as the university we want to be perceived as, football is the way to get there."

She adds: "People always talk about the cost of football. They ought to look at the cost of not having football."

Is the Money There?

The aura of football extends far beyond Saturday afternoons. Students clamor for the game-day atmosphere. Alumni like to see the name of their alma mater on the ESPN ticker. And many college officials crave the positive attention a successful program can bring.

"From the day I was named president four years ago, I have been asked in every presentation I make, every store I walk into, 'When are you going to start football?,'" says Daniel S. Papp, Kennesaw State's president. "Clearly the interest is there. What I don't know is whether the money's there."

Football is by far the costliest line on an athletics department's balance sheet. In Division I-AA, the median annual football expenditure is \$2.3-million—but some programs spend more than twice that. The vast majority of football teams at this level struggle to break even. In fact, only 2 percent reported operating surpluses in the 2008 fiscal year, according to the most recent NCAA data available.

At Hofstra, football accounted for a quarter of the \$18-million athletics budget. After a two-year investigation, the university's Board of Trustees concluded in December that its investment in football was not paying off, and cut the team.

"It was costing the university \$4.5-million a year for a sport which did not draw national publicity or recognition, which was not embraced by large numbers of the community or our alumni in terms of fund raising or attendance, and which didn't excite our

students," Hofstra's president, Stuart Rabinowitz, said in a recent interview. "It was a relatively clear decision that the money would be better used for academic purposes and need-based scholarships."

Hofstra's announcement came less than two weeks after Northeastern discontinued its football program. With a team beset by lackluster facilities and a perennially losing record, officials at Northeastern said they were unwilling to shell out more money to revitalize the program with a new coach, a new stadium, and ramped-up recruiting.

"It was about what we were going to have to spend going forward," says Peter Roby, the athletic director. "It was a \$20-million-plus situation, and that, to me, was not tenable."

Making It Work

Old Dominion may well encounter its own fiscal challenges.

A recent report on the public university's athletics department obtained by *The Virginian-Pilot*, a local newspaper, praised the department for creating an "enviable" financial model for football. But it said projections showed "a continuous budget shortfall" from the 2011-12 through the 2014-15 fiscal years. The report, which nonetheless recommended that Old Dominion embrace football as a potentially lucrative fund-raising tool, had been commissioned by the university and conducted by an independent firm.

So far, though, the Monarchs' return to the gridiron has clearly been a win.

The team defeated nine of its 11 opponents last fall. A refurbished 20,000-seat stadium drew sellout crowds for every home game. And in a surprising show of community support, residents of the surrounding Hampton Roads region with no formal ties to the university snapped up a majority of the season tickets.

Over all, football brought in \$5.4-million in its first year, including \$2-million in naming rights for the stadium and the sale of luxury seats and season tickets.

So why does the sport succeed at some institutions but not at others? At Old Dominion, several key components were already in place, officials say.

A football field still occupied the center of the campus, though it needed a face-lift. Existing athletics teams are strong, having collected 28 national titles among them. The Hampton Roads region is rich in talented high-school players often overlooked by

the state's two Division I-A football programs, the University of Virginia and Virginia Tech. And there are no major local professional teams to compete for the spotlight. (Northeastern and Hofstra, by contrast, competed in major urban markets with popular pro sports.)

Still, adding the sport has been a major investment here. Football's operating costs, including scholarships and coaches' salaries, are \$3.9-million this year, and those expenses are expected to grow to \$4.5-million next year. In 2007, Old Dominion imposed a new annual fee of \$450 per student not only to help cover the operating costs and debt service for football and its facilities, but also to pay for the addition of three women's teams to satisfy gender-equity requirements.

The new fee came on top of existing athletics fees, which already cover 72 percent of the university's \$27-million athletics budget. Students had supported football from the beginning, and John R. Broderick, the president, says officials were clear that "if we decide to go this route, it is going to cost the students more."

Ms. Rose, at UNC-Charlotte, hopes a fee increase will help football's cause on her campus. So far athletics officials there, confronting fallout from the recession, have collected less than \$2-million in private donations toward the estimated \$45-million start-up price tag, and have accounted for \$4-million in seat licenses. Without strong support from local companies and donors, officials hope a proposed increase in student fees will help pay down \$40-million in debt service on a stadium and, eventually, cover \$4-million of the sport's estimated \$6.5-million annual operating cost.

(The University of North Carolina system's Board of Governors approved the proposed \$120 annual debt-service fee for students late last week. A separate annual fee devoted to operating costs, which would begin at \$50 per student in 2011 and increase to \$200 by 2014, will be considered at a later date.)

"I certainly wish we wouldn't have to tax the students as much," Ms. Rose says, "but at the same time, [this is their desire.](#)"

At Old Dominion, Mr. Broderick says football's early success was not "a fluke."

Adding football was essential to the university's goal of shedding its image as a commuter school, he explains. "We've made a big commitment to football." By 2015, the year that football and the three additional women's sports will all be up and running, the

university expects to have spent more than \$70-million on the venture. Officials here are determined, he says, to keep the momentum going, even as programs on other campuses struggle to get off the ground—or fold altogether.

If there's a sign of things to come, it may be in the membership of the booster organization, the Big Blue Club. Its ranks grew from 1,700 to 2,500 in 2009, and on signing day this month, when football prospects declare where they will enroll, it appeared there was near-perfect attendance from the club.

The spirited group packed the Big Blue Room at the university's indoor arena for a pep rally of sorts led by the team's head coach, Bobby Wilder. Blue wigs and face paint added color to the crowd, and raucous cheers erupted whenever a local athlete from nearby Chesapeake or Newport News was mentioned.

"Your Monarchs," the coach told his supporters, "are the best-ever start-up program in the history of college football!"

Clutching their plastic cups of beer, the boosters shouted their approval. But, packed elbow to elbow, they didn't have much room to maneuver. If Old Dominion football keeps up its momentum, the Big Blue Club may soon need an even bigger room.

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