Compensation deals for bowl game execs have increased 70 percent

by Brent Schrotenboer

On New Year's Eve 2002, San Francisco Bay Area businessman Gary Cavalli gave the college football world just what it needed - or maybe not.

He introduced another new postseason bowl game, this one called the San Francisco Bowl, to be played at AT&T Park.

BOWLING FOR DOLLARS - As bowl revenues and net assets have increased, so have the paychecks for the bowl bosses. CNS Photo Illustration. It didn't go so well at first. The game, now called the Emerald Bowl, drew about 25,000 fans and had almost $112,000 more expenses than revenues. But in five years since, it's had success. As a result, Cavalli has been compensated accordingly.

In 2002, he earned $90,000.

In 2006, his compensation package was $362,018.

"Frankly, my compensation package is none of your business," said Cavalli, the game's executive director. "But we had a good year, so the board of directors was gracious enough to give me a nice bonus, plus some commissions."

Such is life these days in the bowl business. While many fans and media continue to cry out for a postseason playoff format to replace it, the bowl system and its overseers just keep padding their pockets.

From 2001-05, compensation packages for bowl game executives have increased about 70 percent, with many of them more than doubling, according to an examination of the bowls' Internal Revenue Service records by The San Diego Union-Tribune. The highest-paid bowl executive in the study is the Outback Bowl's Jim McVay, who earns about $490,000, more than double the salary for the CEO of the oldest bowl, the Rose Bowl ($239,807).

Such salary growth is fueled by the bowl system's huge increase in assets, revenue and payouts to the conferences and schools that participate in them. The Union-Tribune examined IRS records for the 19 current bowl games that are nonprofit tax-exempt, whose organizations have been around since 2001 or 2002 and which claim to have paid employees.

The study showed the bowl organizations increased their net assets by 85 percent from 2001-05, thanks to increases from their usual revenue streams: ticket sales, television rights fees, fundraising, other sources and sometimes public funds. Average net assets for bowl organizations increased from $3.4 million to $6.3 million. Tax year 2005 is the most recently available year for most bowls.

"I think (compensation growth) goes back to the growth and overall financial responsibility of the organizations," said Scott Ramsey, chairman of the Football Bowl Association and executive director of the Music City Bowl. "Many have added more events, activities and they have to raise so much more money to meet the guaranteed payouts to the schools."

Business has been good. The number of bowls has increased from 18 in 1996-97, to 25 in 2001-02, to 32 now. That's because so many powerful interests have an economic stake in seeing it expand instead of reduced or changed: cities, school presidents, conference commissioners, TV networks, coaches and bowl bosses.

To get more money for their members, conferences try to negotiate better guaranteed payouts for their teams each time a new bowl contract comes up. Likewise, bowls feel pressured to increase the payouts in order to keep or improve their pecking order with those conferences in the team selection process. That leads to bigger guaranteed payouts, which create pressure on bowl staff to raise more money up front to meet those payouts. That has become a justification for salary increases for bowl bosses.

Guaranteed payouts from these bowl organizations to the participating conferences increased by more than 25 percent from 2001-05. For example, the Sun Bowl's guarantee increased from $1 million to $1.575 million. Meanwhile, Sun Bowl Executive Director Bernie Olivas saw his compensation package increase from $65,750 to $125,400.

"There are 32 of us trying to fund over $200 million in payouts this year," Ramsey said. "The conferences essentially have no skin in that game. We (the bowls) are out there raising it. The conferences have that guaranteed check coming from their tie-ins with six, seven, eight bowls. We're basically 32 fundraisers out there for them. That's a little different model than a playoff, which would be more centralized with TV."

Bowl executive salaries usually are decided by a volunteer board of directors and can vary according to duties. The Outback Bowl's McVay has been the highest-paid bowl boss in part because of his relatively long tenure of almost 20 years. McVay's board points out that he is a do-it-all bowl boss who negotiates TV contracts and secures corporate sponsorships.

Some bowl bosses don't do all that. For example, the Holiday and Poinsettia bowl organization paid a Denver-based marketing firm, the Bonham Group, $101,250 in 2005 for consulting work and commission for helping find and negotiate with a title sponsor.

"We look at all the factors (in determining McVay's salary), and one of the factors we are told to consider is what would his services be worth in the private sector?" said Steven Schember, past board chairman of the Tampa Bay Bowl Association, which runs the Outback Bowl.

The job description for a bowl boss has changed over the years. Several years ago, there were far more at-large berths in bowl games, making it more unpredictable in determining which teams would end up where. This required more responsibility and creativity from the bowl staff and committee to get attractive teams to their games.

By contrast, in recent years, almost all bowl spots are contractually tied in to certain conferences, which give the bowls a pecking order for their teams. As a result, there's less room to maneuver for bowl bosses and committees when selecting teams. It's pretty much decided for them by how the season shakes out.

But the financial stakes have gone up. Cavalli saw his Emerald Bowl draw a sellout crowd last year and post almost $139,000 in net assets. The San Diego Bowl Game Association, which operates the Holiday Bowl, introduced a new bowl in 2005 to be operated by the same staff - the San Diego County Credit Union Poinsettia Bowl. The compensation for the association's executive director, Bruce Binkowski, and assistant director Mark Neville has jumped 60 percent from 2001-05, up to $186,000 for Binkowski and $155,000 for Neville.

Like other bowl executives, Binkowski oversees more than 150 volunteers, and coordinates public relations events, fundraising, television and sponsorship negotiations. Golf, basketball and other fundraisers for his organization help meet its operating costs and raise more than $100,000. Binkowski said 80 percent of game-related funds go to the teams or conferences.

"It's always been a year-round job," Binkowski said. "But it has become more of a year-round thing. When we first started, it was just the game, and then it became the game and the parade, and then two games, with a 3-on-3 basketball and outrigger canoe race. So we're on a year-round schedule of events now, a lot more year-round than it used to be."

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