

USOC cuts 26 staffers in Springs

By MERI-JO BORZILLERI, The Gazette – Colorado Springs, February 16, 2005

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The U.S. Olympic Committee laid off 26 full-time employees from its Colorado Springs headquarters Tuesday as the organization tries to redirect money to athletes.

Among those laid off were the USOC's human resources director and a finance department employee, Colleen Badgley, who previously claimed the USOC retaliated against her when she said the organization discriminated against women in hiring and promotion.

Badgley declined comment Tuesday night, saying she is under contractual obligation not to talk to media.

Some employers require workers to sign a nondisclosure agreement to receive severance payments.

"I can't comment on anybody's specific situation," said Darryl Seibel, USOC spokesman. "None of these decisions was based on performance. They were decisions made in an effort to reorganize and make certain we're operating as efficiently as possible."

Forty full-time positions were eliminated in the USOC's three training centers in Colorado Springs, Lake Placid, N.Y., and Chula Vista, Calif. Twelve of the 40 positions were vacant. Two staff positions were cut from the Lake Placid and Chula Vista centers for 28 positions across the organization.

The job cuts here represented 8.2 percent of the Colorado Springs staff, which now has 290 full-time employees.

Tuesday's staff reduction was one of the biggest in the 27 years the USOC has been in Colorado Springs, but it continued a trend since a management scandal shook the organization in 2003. At that time, the USOC had about 365 employees here.

The three centers combined have 412 full-time employees.

Jim Scherr, acting chief executive, did not rule out further layoffs, possibly before the next board of directors meeting in April.

"We will continue to examine how we operate," Scherr said Tuesday.

The cuts came on the same day the USOC announced its 2005 operating budget.

The budget had been delayed since December by the USOC's new 11-member board of directors, chaired by Peter Ueberroth. **(USADSF Note: This is a reduction in size from 125 representatives of National Governing Bodies and sport organizations, and also a reduction in number of standing committees from 23 to 4.)**

The board and Ueberroth sought greater efficiency and will now approve budgets annually instead of every four years.

The budget calls for \$92.8 million in revenue and \$116.7 million in expenses - an inequity typical for a non-Olympic year. Large TV rights fees paid in Olympic years such as 2006 help offset deficits.

In the wake of the job cuts, the new budget includes \$45.8 million for athletes and sports federations preparing for the 2006 Winter Olympics in Turin, Italy, and the 2008 Summer Games in Beijing, officials said.

The 2005 budget also has \$4.8 million going to Paralympic sports, an increase of \$2 million from 2001.

The USOC reduced its staff despite healthy revenues from new and renewing sponsors. The cuts involved nearly all the organization's departments and were evenly split, 14-14, between women and men, Scherr said.

Ueberroth, head of the 1984 Los Angeles Summer Olympics, brought the Olympic movement into a new era by having corporations play a large role.

Since becoming USOC chairman last year, Ueberroth said the organization, criticized for bloated salaries and leadership turmoil, should focus its energy and money on athletes.

To that end, the USOC is spending nearly \$35 million over several years for athletes now preparing for Turin, compared with \$33.4 million before the 2002 Games in Salt Lake City. U.S. athletes won 34 medals in Salt Lake, the most by a U.S. team in any Winter Olympics.

"The USOC has a responsibility to mirror the same level of excellence we see in America's Olympic and Paralympic athletes," said Ueberroth, who served as Major League Baseball commissioner after the Los Angeles Olympic Games.

"Jim Scherr and the management team are taking a close look at every aspect of our business to make certain the organization's resources are being used wisely and responsibly. We have made good progress in this regard, but there is still important work to be done."

Rick Mack, human resources director, said he had no hint he would be laid off Tuesday.

"It's never happened to me," said Mack, a USOC employee for more than 10 years.

"I've been on the other side my whole life and I've never liked it. (But) this was an understandable move, and I wish them nothing but great things, the board, the staff. I'm confident Jim Scherr is taking this in the right direction."

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USOC BUDGET SHIFTS

JOB CUTS:

- 40 full-time positions eliminated, including 12 that were vacant and 26 in Colorado Springs.
- Colorado Springs fulltime staff reduced from about 365 in 2003 to 290 after Tuesday's cuts.

BUDGET POINTS:

- \$116.7 million in planned spending in 2005. \$98.3 million of this - 84 percent of the budget - will go to athletes and sports federations.
- \$18.4 million for support services such as sales and marketing, general and administrative programs, which is a reduction of \$2.2 million from 2001.

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