

# Ohio Expositions Commission

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- \$1 increase in ticket prices at the gate
- Decrease in Jr. Fair subsidy by 4.8% for FY 2002, Jr. Fair Subsidy is flat funded for FY 2003.

## OVERVIEW

Created and governed by Ohio Revised Code Chapter 991, the Ohio Expositions Commission (EXPO) is a thirteen member commission specifically charged with the responsibility of conducting at least one fair annually and maintaining and managing property held by the state for the purpose of conducting fairs, expositions, and exhibits. The commission currently oversees operations of the Ohio Expositions Center, a 360-acre facility located in Columbus, and employs approximately 85 permanent staff.

For the FY 2002-2003 biennium, EXPO plans to continue its ongoing efforts to promote efficient management, increase return business, and increase customer satisfaction with the physical facilities. The aim is to increase the number of participants and the guests that come to the Ohio Expositions Center, whether for the state fair or for non-fair events. Success in improved management, well maintained facilities and increased attendance would provide greater revenues to support operations on a daily basis.

One of EXPO's goals has been to attain self-sufficiency for the Ohio State Fair. The public expects the Ohio State Fair to fulfill many social expectations, while maintaining an affordable pricing system. Therein lies a problem as the EXPO budget presentation states:

The primary fiscal and programmatic challenge of the Ohio State Fair lies in achieving public expectations, such as providing a great deal of support to the Jr. Fair, while not negatively impacting the annual operating budget of the Ohio Expositions Commission. Many fair visitors believe those prices for entry, admission and midway rides should be nominal. While this is not consistent with the Commission's, the Governor's, and the General Assembly's fiscal goals, a concerted attempt is made to keep Fair prices affordable. *In fact, the Fair is currently not designed to break even in and of itself.* Fair revenue is dependent upon paid attendance, which is related to admission and midway prices, and fair revenue is also dependent upon the weather. The Ohio Expositions Commission relies on a strong non-fair operation to financially buffer these fair revenue factors and support the total annual operation of the Ohio Expo Center.

Several roadblocks to self-sufficiency exist. Increasing labor costs are a major problem due to the increase in the minimum wage. Managing payroll expenses will be a major difficulty for FYs 2002 and 2003, as will be finding entertainment for the fair. Event competition from other regional attractions, e.g.

Polaris, the Columbus Zoo, Cooper Stadium, Ohio State's Schottenstein Center, and the Nationwide Arena, continues to grow and will change the market base of entertainment options.

While facing these operational challenges, EXPO has successfully attained a number of agency goals. Benchmarks of progress for the FY 2000-2001 biennium include implementing a strategic plan to map the future of the EXPO Center, completing numerous infrastructure upgrade projects, operating a top-notch Junior Fair Livestock Program and improving handicapped accessibility throughout the Expo Center.

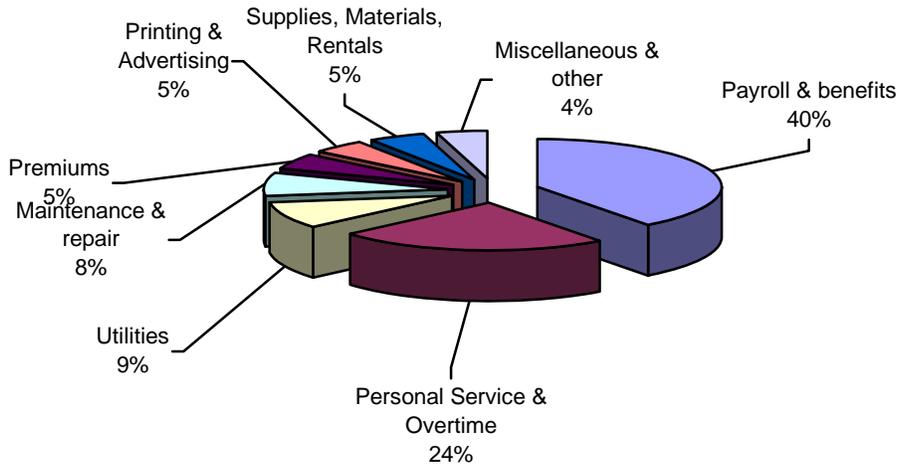
Executive recommended funding for FY 2002 totals \$16,122,43, however, this includes \$700,000 from the State Fair Reserve account. Without this contingency, the budget is \$15,422,437, which is an increase of 5.7 percent over estimated FY 2000 expenditures. Recommended funding for FY 2003 is \$15,895,658, or -1.4 percent under recommended FY 2002 appropriations. This decrease is largely due to the \$700,000 that is allocated to the State Reserve Fund in FY 2002, but not FY 2003.

## ADDITIONAL FACTS AND FIGURES

Ohio Expositions Commission Staffing Levels						
Division	1998	1999	2000	2001	<i>Estimated</i>	
					2002	2003
<b>Permanent Staff</b>						
General Manager's Office	4	4	3	3	3	3
Entertainment	1	1	1	1	1	1
Finance	7	7	7	7	7	7
Livestock	2.5	2.5	2	2	2	2
Maintenance	63	63	60	58	60	60
Marketing	4	4	4	5	6	6
Personnel	2	2	2	2	2	2
Rental Department	5	5	5	5	4	4
Special Events	2	2	2	2	2	2
<b>Total-Permanent Staff</b>	<b>90.5</b>	<b>90.5</b>	<b>86</b>	<b>85</b>	<b>87</b>	<b>87</b>
<b>Ohio State Fair Temporary seasonal workers</b>						
General Manager's Office	28	26	27	27	27	27
Entertainment	98	100	84	90	100	100
Finance	409	450	465	465	460	460
Livestock	137	140	92	100	110	110
Maintenance	296	300	266	275	300	300
Marketing	5	5	5	6	6	6
Personnel	16	20	22	20	20	20
Rental Department	30	28	29	29	29	29
Special Events	104	110	104	105	110	110
<b>Total-Ohio State Fair</b>	<b>1124</b>	<b>1179</b>	<b>1094</b>	<b>1117</b>	<b>1162</b>	<b>1162</b>

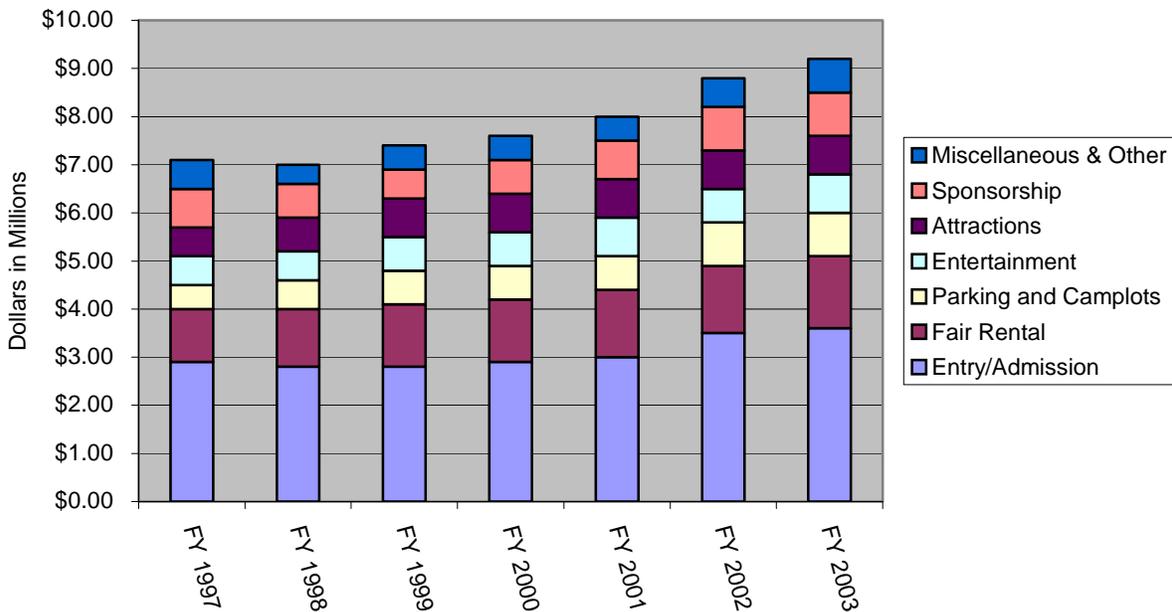
**EXPENDITURES BY FUNCTION:** The chart below provides an overview of expenditures for FY 2000.

Expositions Commission Estimated FY 2000 Expenditures



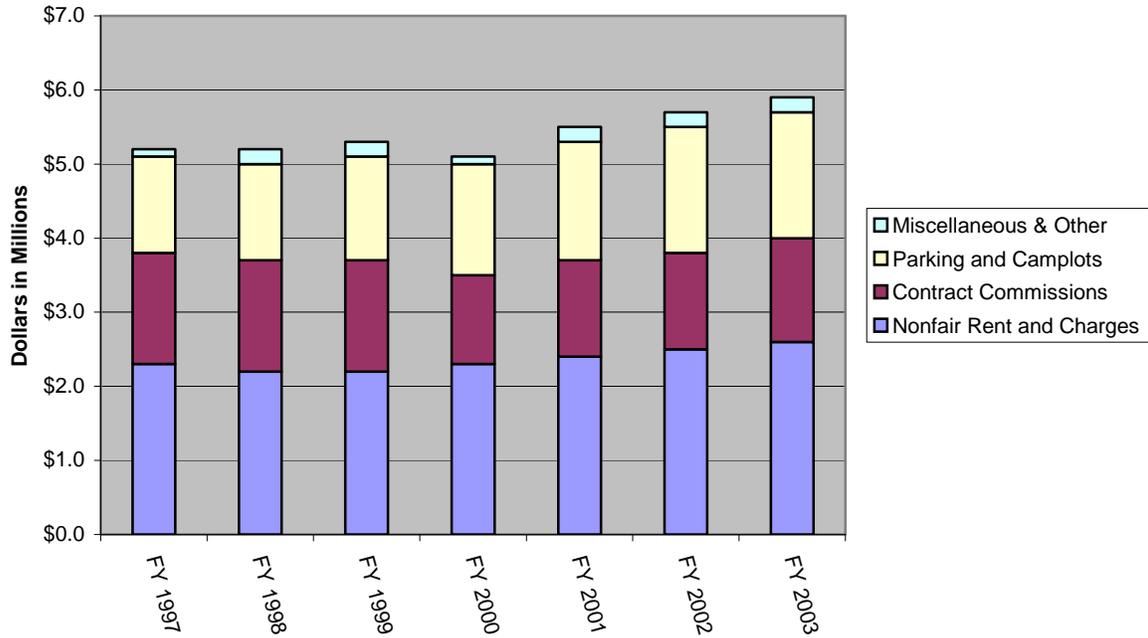
**EXPO INCOME BY SOURCE OF REVENUE — THE OHIO STATE FAIR:** The table below summarizes seven main categories of EXPO income from FYs 1997 to 2003. Revenues for FYs 2001 to 2003 are estimated.

Ohio State Fair Revenues by Source



**EXPO INCOME BY SOURCE OF REVENUE — NON-FAIR EVENTS:** The table below summarizes four main categories of EXPO income from FYs 1997 to 2003. Revenues for FYs 2001 to 2003 are estimated.

**Non-Fair Revenue by Source**



**SELECTED EXPO NON-FAIR EVENTS OF 2000:** EXPO's successful non-fair operations have been profitable and have historically supplemented operating losses in other areas of the budget. Of the many events for the year, the table below lists EXPO's top ten revenue-generating events of 2000.

<i>EXPO's Top Ten Events of 2000</i>		
	<u>Event</u>	<u>Revenues*</u>
1.	All American Quarter Horse Congress	\$ 1,050,000
2.	Show Promotions – Don Scott Antique Shows	\$ 230,000
3.	Equine Affaire	\$ 215,000
4.	Dispatch Charities Home & Garden Show	\$ 210,000
5.	Central District Athletic Board	\$ 150,000
6.	Goodguys Rod & Custom Association Nationals	\$ 150,000
7.	Central Ohio Marine & RV Dealers	\$ 135,000
8.	Extravaganza	\$ 130,000
9.	Power Show Ohio	\$ 105,000
10.	Aladdin Temple Shrine Circus	\$ <u>100,000</u>
<b>TOTAL</b>		<b>\$ 2,475,000</b>

*\* Revenues include facility rent, parking, food and miscellaneous.*

**Ticket Pricing Summary for 1996 through 2001:** The Expositions Commission has raised ticket prices for the Ohio State Fair for year 2001. Summarized below are the ticket prices for the current year and the past five years.

<i>Ohio State Fair Ticket Pricing Summary, 1996-2001</i>						
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<i>Advance Youth &amp; Sr.</i>	\$3	\$3	\$4	\$5	\$5	\$5
Advance Adult	\$5	\$5	\$4	\$5	\$5	\$5
Youth/Sr. Gate	\$4	\$4	\$5	\$6	\$6	\$7
Adult Gate	\$6	\$6	\$6	\$7	\$7	\$8

## ANALYSIS OF EXECUTIVE PROPOSAL

### Ohio Expositions Commission

*Single Program Agency*

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**Purpose** The Ohio Expositions Commission is responsible for 1) producing the annual Ohio State Fair, and 2) professionally managing and maintaining the Ohio Expositions Center—a 360-acre facility located in Columbus—for year-round events.

The following table shows the line items that are used to fund this agency, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	723-403	Junior Fair Subsidy	\$500,000	\$500,000
4N2	723-602	Ohio State Fair Harness Racing	\$511,000	\$520,000
506	723-601	Operating Expenses	\$14,411,437	\$14,875,658
640	723-603	State Fair Reserve	\$700,000	\$0
<b>Total funding: Ohio Expositions Commission</b>			<b>\$16,122,437</b>	<b>\$15,895,658</b>

Specific activities within the Ohio Expositions Commission that this analysis will focus on include:

- **OHIO STATE FAIR**
- **NON-FAIR ACTIVITIES**

#### **THE OHIO STATE FAIR**

**Program Description:** The Ohio State Fair, authorized by ORC Chapter 991, is a 17-day event that emphasizes youth education, and the promotion of Ohio’s agricultural industry, Ohio products, Ohio tourism and cultural activities.

**Funding Source:** GRF, and SSR derived from fees charged for facility rental, exhibit entries, parking, admissions, etc.

**Line Items:** Junior Fair Subsidy, 723-403; Ohio State Fair Harness Racing, 723-602; Operating Expenses, 723-601; and State Fair Reserve, 723-603.

**Implication of the Executive Recommendation:** Executive-recommended GRF appropriations of \$500,000 in FY 2002 and \$500,000 in FY 2003 reflect a 4.8% decrease in funding from FY 2001. This amount would cover two-thirds of the \$750,000 annual cost of Junior Fair operations. The Commission also requested a supplement for the Junior Fair (see Requests Not Fully Funded). As a result of this request not being funded, the EXPO may be forced to make cuts in other areas of the Fair, as well as some of the Jr. Fair programs.

A SSR appropriation of \$700,000 in line item 723-603, State Fair Reserve, would serve as a financial cushion for State Fair operations in the event of a significant decrease in attendance due to inclement weather or extraordinary circumstances during the Ohio State Fair. The use of this appropriation requires the Director of OBM’s approval. This money originated from a \$700,000 GRF appropriation in HB 283, the budget bill of 123rd General Assembly, and \$700,000 was transferred in FY 2000.

Admission prices will go up to \$7.00 at the gate for children and seniors, and \$8.00 at the

gate for adults. Parking rates will also increase to \$5.00. Advanced ticket prices will remain steady at \$5.00 (see Additional Facts and Figures). The EXPO will have 6 to 7 paid entertainment events for the 2001 Ohio State Fair. The tickets will range in price from \$10 to \$30, with attendees numbering close to 35,000 per event. The Fair estimates revenues to increase at a 3% rate through these increases in admission and parking as well as increased entertainment revenues. Estimated total revenues for the Ohio State Fair are \$8,723,600 for FY 2002 and \$8,995,358 for FY 2003. The Non-fair revenues are expected to increase by approximately 3 to 4 percent. The estimated totals are \$5,702,087 for FY 2002 and \$5,884,485 for FY 2003.

## **NON- FAIR ACTIVITIES**

**Program Description:** Authorized by ORC Chapter 991, the Ohio Expositions Commission manages and operates the Ohio Exposition Center for year-round events.

**Funding Source:** SSR consisting of fees for fair and non-fair events.

**Line Items:** 723-601, Operating Expenses

**Implication of the Executive Recommendation:** EXPO's successful non-fair operations have been profitable and have historically supplemented operating losses in other areas of the budget. For a list of EXPO's Top Ten Events of 2000 see Additional Facts and Figures.

One of EXPO's biggest challenges for the FY 2002-2003 biennium will be to remain competitive in the event facility business. In the past seven years, the Columbus area has seen the construction of a modern convention center, a 20,000-seat amphitheater, and two ultra-modern arenas. Non-fair events are an important part of EXPO's budget. As such, the EXPO must address its image in order to remain competitive. The EXPO Center has a Facility Modernization and Improvement Plan that was completed in 2000. This plan helps to identify areas needing improvement and modernization. The first step of the plan calls for the modernization of gate and access structures. The gate structures are the first thing the public sees. Modernizing these will improve the impression of the EXPO Center. The agreement with the Columbus Crew Stadium Corporation is continuing to meet the EXPO's expectations as it continues to attract new events.

The FY 2002-2003 executive budget request includes continuation funding for EXPO's Non-Fair activities.

## PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Permanent and temporary law provisions have not yet been proposed by the Executive. If any provisions are proposed affecting this agency, LSC will prepare an addendum to this redbook.

## REQUESTS NOT FUNDED

The Commission requested an additional \$84,000 in FY 2002 and \$129,412 in FY 2003 for the Junior Fair Subsidy, 723-403. This would bring the total amounts requested for the Junior Fair Subsidy to \$577,500 for FY 2002 and \$635,250 for FY 2003. These amounts were requested because they represent the 10% increase cap levels established by the OBM. The EXPO actually asked for \$750,000 for both years to cover costs. Executive recommended funding is \$500,000 in FY 2002 and \$500,000 in FY 2003. As a result, the EXPO may be forced to decrease maintenance and programs of special interest such as Figure 8 Racing. The Junior Fair may also be forced to lower the number of participants in the State Fair Band and Choir, decrease premiums to youth, and/or eliminate programs, such as wrestling or cheerleading.

## LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Passed 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Passed 2003	% Change House 2002 to House 2003
<b>EXP Expositions Commission, Ohio</b>									
GRF	723-403	Junior Fair Subsidy	\$525,000	\$ 500,000	\$ 525,000	0.0%	\$ 500,000	\$ 25,000	-95.2%
GRF	723-404	State Fair Reserve	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 525,000</b>	<b>\$ 500,000</b>	<b>\$ 525,000</b>	<b>0.0%</b>	<b>\$ 500,000</b>	<b>\$ 25,000</b>	<b>-95.2%</b>
4N2	723-602	Ohio State Fair Harness Racing	\$500,000	\$ 511,000	\$ 511,000	2.2%	\$ 520,000	\$ 520,000	1.8%
506	723-601	Operating Expenses	\$13,565,497	\$ 14,411,437	\$ 14,411,437	6.2%	\$ 14,875,658	\$ 14,875,658	3.2%
640	723-603	State Fair Reserve	\$0	\$ 700,000	\$ 700,000	N/A	\$ 0	\$ 0	-100.0%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 14,065,497</b>	<b>\$ 15,622,437</b>	<b>\$ 15,622,437</b>	<b>11.1%</b>	<b>\$ 15,395,658</b>	<b>\$ 15,395,658</b>	<b>-1.5%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 14,590,497</b>	<b>\$ 16,122,437</b>	<b>\$ 16,147,437</b>	<b>10.7%</b>	<b>\$ 15,895,658</b>	<b>\$ 15,420,658</b>	<b>-4.5%</b>

## General Revenue Fund

### GRF 723-403 Junior Fair Subsidy

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$349,957	\$355,487	\$499,961	\$525,000	\$500,000	\$500,000
	1.6%	40.6%	5.0%	-4.8%	0.0%

**Source:** GRF

**Legal Basis:** Am. Sub. H.B. 215 of the 122nd G.A.

**Purpose:** Moneys are used to help support and operate the Junior Fair portion of the Ohio State Fair, which includes premium payments to participants, payments for judges, meals and lodging for the All Ohio State Fair Band and Choir, and other related costs.

### GRF 723-404 State Fair Reserve

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$700,000	\$0	\$0	\$0
	N/A	N/A	-100.0%	N/A	N/A

**Source:** GRF

**Legal Basis:** Established as a new line item in Am. Sub. H.B. 283 of the 123rd G. A.

**Purpose:** These one-time seed funds were transferred to line item 723-603, State Fair Reserve, by the Director of the Office of Budget and Management.

## State Special Revenue Fund Group

### 4N2 723-602 Ohio State Fair Harness Racing

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$461,678	\$457,072	\$484,017	\$500,000	\$511,000	\$520,000
	-1.0%	5.9%	3.3%	2.2%	1.8%

**Source:** SSR: receives participant entry fees for state fair harness races

**Legal Basis:** originally established by Controlling Board on May 3, 1993

**Purpose:** These funds are used to pay cash awards. Previously, these funds were processed through line item 723-602, Operating Expenses.

**506 723-601 Operating Expenses**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$12,528,942	\$12,682,465	\$13,305,895	\$13,565,497	<b>\$14,411,437</b>	<b>\$14,875,658</b>
	1.2%	4.9%	2.0%	<b>6.2%</b>	<b>3.2%</b>

**Source:** SSR: fees charged during the annual state fair and for non-fair events (state fair income is derived from space rental, exhibit entries, admissions, parking, etc.; fees collected during events held throughout the year include charges for building rental, parking, and concession income)

**Legal Basis:** ORC 991.04

**Purpose:** All disbursements for payroll, maintenance, and equipment are made from this line item. In FY 1993, this item received an additional \$3.5 million through Controlling Board action (10-13-92) and by a transfer from line item 723-402, State Fairgrounds Physical Plant, to remedy the deficit caused by the 1992 State Fair.

**640 723-603 State Fair Reserve**

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	<b>\$700,000</b>	<b>\$0</b>
	N/A	N/A	N/A	<b>N/A</b>	<b>-100.0%</b>

**Source:** SSR: received a GRF appropriation transfer from line item 723-404, State Fair Reserve in FY 2000

**Legal Basis:** Established as a new line item in Am. Sub. H.B. 283 of the 123rd G. A.

**Purpose:** This fund will be used on a contingency basis to cover future operating losses of the Ohio State Fair.

## As Introduced

## As Passed by the House

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**Permanent Law Changes**

**Subject: Limit Length of the State Fair to 15 Days with the 2002 Fair**

**section: 991.20**

No provision.

Prohibits the Ohio State Fair from being held open to the public for more than 15 days in a calendar year, beginning in 2002, but specifies that the 15 days do not include any day on which livestock exhibits or other attractions or concessions are being set up or taken down. This will cause a loss in revenue to the State Fair, however, there will also be a decrease in expenditures. It is unclear at this time what the total fiscal effects will be.

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## As Introduced

## As Passed by the House

**Temporary Law Changes****Subject: State Fair Reserve****Section: 54****ALI: 723-603**

Requires appropriation item 723-603, State Fair Reserve, serve as a budget reserve fund for the Ohio Expositions Commission in the event of poor attendance due to inclement weather or extraordinary circumstances during the Ohio State Fair. The reserve can be used if admission revenues for the 2001 Ohio State Fair are less than \$2,920,000 and less than \$3,010,000 for the 2002 fair due to inclement weather. The Ohio Expo Commission must declare a state of fiscal exigency and request the release of funds from the Director of Budget and Management. Also, the Director of Budget and Management may approve or disapprove the request, may increase or decrease the amount, and may place conditions on the use of said funds. The Director of Budget and Management may also transfer appropriation authority from FY 2002 to FY 2003. If the Commission is facing a temporary cash shortage that precludes them from meeting obligations, the Commission may request the Director of Budget and Management to approve use of the State Fair Reserve to meet those obligations. The request must include a plan describing how the Commission will eliminate the cash shortage. The Commission must reimburse Fund 640 by the thirtieth day of June of that same fiscal year through an intrastate transfer voucher. The bill also provides that the amount reimbursed is appropriated.

**Section: 53**

No change.