

# Capitol Square Review and Advisory Board

**House Higher Education Subcommittee**

*Kerry Sullivan, Budget Analyst*

*Legislative Service Commission*

*March 11, 2003*

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# **LSC Redbook**

## **for the**

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### **TABLE OF CONTENTS**

<b>Overview .....</b>	<b>A1</b>
<b>Analysis of Executive Proposal .....</b>	<b>A2</b>
<b>Additional Facts and Figures .....</b>	<b>A4</b>
<b>Permanent and Temporary Law .....</b>	<b>A5</b>
<b>Requests Not Funded.....</b>	<b>A6</b>
<b>Catalog of Budget Line Items .....</b>	<b>COBLI 1</b>
<b><i>Attachment: LSC Budget Spreadsheet By Line Item</i></b>	

*March 11, 2003*

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

# Capitol Square Review and Advisory Board

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- Funding in FY 2004 is 2.8% below FY 2003; FY 2005 is 0.9% below FY 2004
- As a result of reduced funding, various upgrades to Statehouse property will not be initiated; layoffs may also be required

## OVERVIEW

The Capitol Square Review and Advisory Board (CSR) provides all educational, maintenance, support, and security services for the Capitol Square Complex, the Statehouse, and its grounds. The agency also operates a museum shop, maintains the underground public parking garage, and provides public tours of the Statehouse through a cooperative agreement with the Ohio Historical Society.

A former function of the Board was the operation of the Ohio Government Telecommunications (OGT) studio, which broadcasts House and Senate sessions and produces educational programming for the public. Funding for OGT was transferred to the Ohio Educational Telecommunications Network Commission (OET) under H.B. 94 of the 124th General Assembly. The studio is currently managed under contract with WVIZ/PBS in Cleveland, an affiliate of OET. Despite these changes, OGT functions within the Statehouse have remained much the same.

The Board comprises nine members, including two members from both the House and Senate and five persons appointed by the Governor. An executive director handles the day-to-day operations of the agency. The CSR currently employs 67 full-time staff and three part-time employees. These staff levels are reduced from FY 2001, when the Board employed 85 full-time staff and nine part-time employees. The majority of staff reductions have occurred within building custodial positions.

The executive recommendation for FY 2004 appropriations is \$6,335,947, which represents a 2.8% decrease over estimated FY 2003 spending. The recommendation for FY 2005 appropriations is \$6,279,534, or 0.9% below the FY 2004 funding recommendation.

## ANALYSIS OF EXECUTIVE PROPOSAL

### Capitol Square Review and Advisory Board

Fund	ALI	Title	FY 2004	FY 2005
GRF	874-321	Operating Expenses	\$2,553,662	\$2,534,329
4G5	874-603	Capitol Square Maintenance Expenses	\$15,000	\$15,000
4S7	874-602	Statehouse Gift Shop/Events	\$770,484	\$770,484
208	874-601	Underground Parking Garage Operating	\$2,996,801	\$2,959,721
<b>Total funding: Capitol Square Review and Advisory Board</b>			<b>\$6,335,947</b>	<b>\$6,279,534</b>

Some of the programs and activities in which the Capitol Square Review and Advisory Board are involved are described below.

#### Operating Expenses

**Program Description:** The Board’s GRF funding is primarily directed toward payroll expenses, utility costs, grounds maintenance, custodial services, and supplies. Payroll comprises approximately \$1.8 million of total funding, and utility costs (gas and electricity) comprise another \$445,000 annually.

**Funding Source:** GRF

**Line Item:** 874-321

**Implication of the Executive Recommendation:** The Board requested funding of \$3,021,424 in FY 2004 and \$3,048,424 in FY 2005. The executive recommendation does not fund this request fully; \$467,672 in FY 2004 and \$514,095 in FY 2005 is not recommended. It is likely that as a result of this recommendation, the Board will forgo upgrades in some areas of the Statehouse that are currently showing wear, such as furniture, carpeting, HVAC systems, walkway paving stones, and lawn irrigation systems.

#### Statehouse Gift Shop

**Program Description:** The gift shop offers a selection of merchandise relevant to Ohio heritage and the history of the Statehouse. The shop achieves some \$400,000 in sales annually (up from approximately \$300,000 last biennium) and now includes sales from the gift shop’s online store, located at <http://www.statehouseshop.com>. This website serves as the official website for the sale of Ohio Bicentennial merchandise, to which the recent increase in online sales may be attributed. A near three-fold increase in the number of Statehouse tours conducted since the completion of the Capitol Square Renovation Project has also helped increase sales within the museum gift shop. The shop employs one manager and six gift shop associates (three of whom work part-time). Operating expenses for the gift shop are supported solely by gift shop sales.

**Funding Source:** Fund 4S7 Statehouse Gift Shop/Events. This fund comprises the revenues from both the sale of merchandise and rental fees and services provided by the Board for the 500 plus special events that occur on statehouse grounds annually.

**Line Item:** 874-602

***Implication of the Executive Recommendation:*** The executive budget recommends funding at \$770,484 in each of FYs 2004 and 2005. Funding at this level will allow the gift shop to continue purchasing merchandise and operating the gift shop at adequate levels.

## ADDITIONAL FACTS AND FIGURES

Capitol Square Review and Advisory Board Staffing Levels (Full-time/part-time)						
Program Series/Division	2000	2001	2002	2003	Estimated	
					2004	2005
Executive Staff	3	2	2	2	2	2
Administration	29/5	25/5	25/5	27/3	27/3	27/3
Buildings and Grounds	45/1	46/1	46/1	35	35*	35*
Ohio Government Television	9	7/2	0	0	0	0
Communications and Education	4/1	5/1	5	5	5	5
<b>Totals</b>	<b>90/7</b>	<b>85/9</b>	<b>78/6</b>	<b>69/3</b>	<b>69/3</b>	<b>69/3</b>

\* In discussions with the agency, it was indicated that positions within Administration will likely be cut under the executive funding recommendation for FYs 2004 and 2005, but specific positions and number of affected employees could not be determined at the time.

### Special Events

Capitol Square hosts some 500 special events annually, roughly half of which involve catered food service. Annual attendance at these events is approximately 250,000 persons. Permits are required of every person or group who gathers (or demonstrates) on Statehouse grounds. (Governmental entities do not pay for these permits as a standard courtesy.) By design, all charges assessed to a permit holder are intended to cover only what it costs the Board to host an event. Currently, the Board is considering revising this policy in order to accrue some measure of profit that could be used toward contingency expenses, such as replacing equipment used during events when it breaks down.

### Statehouse Art Collection

In 2002, the Headwaters Group in New Albany compiled an inventory of all of the paintings, sculptures, and prints owned by Capitol Square. The catalogue, entitled "A Catalogue to the Capitol Collection" lists various works by category, medium, location, size, artist, and subject. The group estimated the total appraised value of the art collection at \$18.1 million.

Currently, the Board is considering funding alternatives that would allow the art collection to be insured. Such an insurance package could cost an approximate \$150,000 annually. General Revenue Fund dollars are not currently available for this purpose.

## **PERMANENT AND TEMPORARY LAW**

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

There are no permanent or temporary law provisions affecting Capitol Square Review and Advisory Board.

## REQUESTS NOT FUNDED

Operating Expenses – GRF						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 874-321	\$3,021,424	\$2,553,662	(\$467,762)	\$3,048,424	\$2,534,329	(\$514,095)

It is likely that as a result of this recommendation, the Board will forgo upgrades in some areas of the Statehouse that are currently showing wear, such as furniture, carpeting, HVAC systems, walkway paving stones, and lawn irrigation systems.

In discussions with the agency, it was also indicated that positions within Administration will likely be cut under the executive funding recommendation, but specific positions and number of affected employees could not be determined at the time.

## General Revenue Fund

### GRF 874-321 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$4,617,398	\$5,135,963	\$3,331,257	\$2,703,862	<b>\$2,553,662</b>	<b>\$2,534,329</b>
	11.2%	-35.1%	-18.8%	<b>-5.6%</b>	<b>-0.8%</b>

**Source:** GRF

**Legal Basis:** ORC 105.41

**Purpose:** This line item is used to cover administration, maintenance, and equipment costs for the Statehouse, Senate building, atrium, offices, and grounds. Until FY 2002, a portion of this line item also funded the operation of the Ohio Government Telecommunications (OGT) studio, which on January 1, 2002, came under the administration of the Ohio Educational Telecommunications Network Commission.

## General Services Fund Group

### 4G5 874-603 Capitol Square Maintenance Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$2,664	\$43,842	\$171,168	\$45,000	<b>\$15,000</b>	<b>\$15,000</b>
	1545.7%	290.4%	-73.7%	<b>-66.7%</b>	<b>0.0%</b>

**Source:** GSF: Donations received for the Capitol Square Renovation Project and the Capitol Square Foundation from non-governmental parties

**Legal Basis:** ORC 105.41

**Purpose:** The line item is used to support the education center, including the production of educational programming and videos. It is also used to fund acquisitions of art, antiques, and artifacts relevant to Ohio history and to the Statehouse for display at the Capitol Square. Under Revised Code section 105.41, this fund is referred to as the Capitol Square Renovation Gift Fund.

### 4S7 874-602 Statehouse Gift Shop/Events

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$450,020	\$585,685	\$666,393	\$770,484	<b>\$770,484</b>	<b>\$770,484</b>
	30.1%	13.8%	15.6%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GSF: Fees, receipts, and revenues (specifically, revenue from merchandise sales in the Statehouse gift shop and rental fees from special events at the Statehouse) received by the Capitol Square Review and Advisory Board, except for state underground parking revenues

**Legal Basis:** ORC 105.41

**Purpose:** Moneys in this fund pay for inventories, services, and maintenance costs related to the Statehouse gift shop and the 500 plus special events that occur on Statehouse grounds annually.

**4T2 874-604 Government Television/Telecommunications Operating**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$26,310	\$105,466	\$8,704	\$0	<b>\$0</b>	<b>\$0</b>
	300.9%	-91.7%	-100.0%	<b>N/A</b>	<b>N/A</b>

**Source:** GSF: Funds transferred from the Underground Parking Garage Operating Fund at the Board's request (subject to the approval of the Director of Budget and Management) and moneys received from contract productions of the Ohio Government Telecommunications studio

**Legal Basis:** Discontinued line item (originally established in ORC 105.41)

**Purpose:** Under Am. Sub. H.B. 94 of the 124th G.A., operation of the OGT studio transferred from the Capitol Square Review and Advisory Board to the Ohio Educational Telecommunications Network Commission.

## Underground Parking Garage Fund

**208 874-601 Underground Parking Garage Operating**

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$2,371,807	\$2,427,818	\$2,530,031	\$2,996,801	<b>\$2,996,801</b>	<b>\$2,959,721</b>
	2.4%	4.2%	18.4%	<b>0.0%</b>	<b>-1.2%</b>

**Source:** UPG: All fees, receipts, and revenues received by the capitol square review and advisory board from the state underground parking garage

**Legal Basis:** ORC 105.41 (originally established by Sub. H.B. 715 of the 120th G.A.)

**Purpose:** This line item is used to pay for the operation and maintenance of the underground parking garage at the Statehouse. Profits are used to help repay a loan from the Ohio Building Authority.

## LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	2002	Estimated 2003	Executive 2004	% Change 2003 to 2004	Executive 2005	% Change 2004 to 2005
<b>CSR Capitol Square Review and Advisory Board</b>								
GRF	874-321	Operating Expenses	\$ 3,331,257	\$2,703,862	\$ 2,553,662	-5.6%	\$ 2,534,329	-0.8%
<b>General Revenue Fund Total</b>			<b>\$ 3,331,257</b>	<b>\$ 2,703,862</b>	<b>\$ 2,553,662</b>	<b>-5.6%</b>	<b>\$ 2,534,329</b>	<b>-0.8%</b>
4G5	874-603	Capitol Square Maintenance Expenses	\$ 171,168	\$45,000	\$ 15,000	-66.7%	\$ 15,000	0.0%
4S7	874-602	Statehouse Gift Shop/Events	\$ 666,393	\$770,484	\$ 770,484	0.0%	\$ 770,484	0.0%
4T2	874-604	Government Television/Telecommunications Operat	\$ 8,704	\$0	\$ 0	N/A	\$ 0	N/A
<b>General Services Fund Group Total</b>			<b>\$ 846,265</b>	<b>\$ 815,484</b>	<b>\$ 785,484</b>	<b>-3.7%</b>	<b>\$ 785,484</b>	<b>0.0%</b>
208	874-601	Underground Parking Garage Operating	\$ 2,530,031	\$2,996,801	\$ 2,996,801	0.0%	\$ 2,959,721	-1.2%
<b>Underground Parking Garage Fund Total</b>			<b>\$ 2,530,031</b>	<b>\$ 2,996,801</b>	<b>\$ 2,996,801</b>	<b>0.0%</b>	<b>\$ 2,959,721</b>	<b>-1.2%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 6,707,553</b>	<b>\$ 6,516,147</b>	<b>\$ 6,335,947</b>	<b>-2.8%</b>	<b>\$ 6,279,534</b>	<b>-0.9%</b>