

Capitol Square Review and Advisory Board

House Higher Education Subcommittee

Kerry Sullivan, Budget Analyst

Legislative Service Commission

March 1, 2005

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LSC Redbook

for the

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March 1, 2005

Capitol Square Review and Advisory Board

- The total appropriation for both FYs 2006 and 2007 is \$6.6 million
- The agency's request for GRF funding is 86% and 83% funded in FYs 2006 and 2007, respectively

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.

Membership to the Board consists of a total of 13 members, including two members from the House, two members from the Senate, a former Speaker of the House appointed by the current Speaker, a former Senate President appointed by the current President, the clerks of the Senate and the House of Representatives, and five persons appointed by the Governor. An executive director handles the day-to-day operations of the agency. The Board currently employs approximately 68 employees. The current staff level has been reduced from FY 2002, when the Board employed 84 employees. The majority of staff reduction has occurred within building custodial positions.

The executive's recommended funding for each of FYs 2006 and 2007 is \$6,597,474, which is equal to estimated spending in FY 2005.

Summary of FYs 2006-2007 Budget Issues

Capital Appropriations

Under the most recent capital appropriations bill, Am. Sub. H.B. 16 of the 126th General Assembly, the Board received appropriations totaling \$2,276,750 for the following projects.

Rotunda Renovation

In September 2003, Statehouse maintenance crews first noticed that the paint, originally applied in 1858 to the interior of the Statehouse rotunda, was starting to peel away. Microscopic examination revealed the original paint was cracking beneath the new coat of paint added during restoration. The problem was attributed to insufficient moisture control. Under Am. Sub. H.B. 16 (and previous capital appropriation legislation), the Board received capital moneys that will be used to erect scaffolding, remove existing paint and other coatings from the plaster and limestone substrates of the Statehouse rotunda, repair the

plaster as needed, repaint the structure, and install appropriate ventilating equipment and controls in order to moderate humidity levels within the rotunda.

Sound System Upgrades

The Board also received a \$400,000 appropriation to administer a Statehouse sound system upgrade project. The project will replace the existing sound systems in the Statehouse atrium and the chambers of both the House of Representatives and the Senate. The current sound systems are not of broadcast quality, and the Ohio Government Telecommunications (OGT) studio, which provides live coverage of House and Senate sessions, will work in conjunction with the Board to install the new systems.

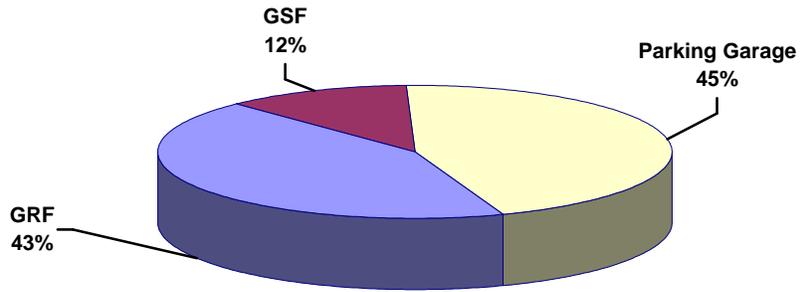
HVAC Improvements

The HVAC system that currently operates within the Statehouse runs on its original programming system, which is DOS-based and frequently susceptible to crashes and downtimes. According to the Board, the system crashed six times in December 2004 alone. The \$476,750 capital appropriation the Board received for this project will be used to upgrade the system to a Windows-based operating system.

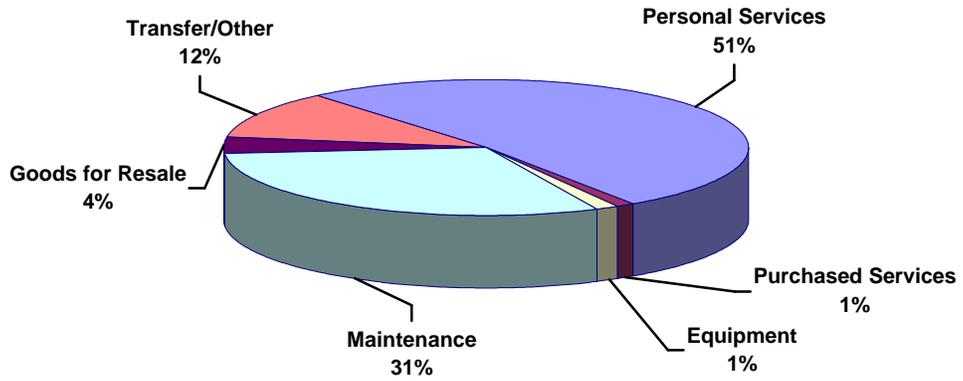
Other Projects

In addition to the projects already funded or underway via capital appropriations, the Board has completed approximately half of the work associated with the installation of a garage fire suppression system. To date, work has been completed on the entire third floor of the garage, one-third of the second floor, and on all of the pump rooms and compressors. To finish the project, pipes need to be installed on the second and first levels of the garage, sensors need to be installed, and the entire system needs to be tied to the fire alarm system. The Board estimates needing another \$1.3 million to complete the work. At present, the availability of Underground Parking Garage Fund (Fund 208) revenue is limited, due to the fact that a portion of garage revenues has been used to supplement decreased GRF appropriations (see the *Analysis of Executive Proposal* for more information on this topic).

Total Budget by Fund Group



Total Budget by Object Code



Staffing Levels

Capitol Square Review and Advisory Board Staffing Levels						
Division	2002	2003	2004	2005	Estimated	
					2006	2007
Executive Staff	2	2	2	2	2	2
Administration	30	30	30	30	28	28
Buildings and Grounds	47	35	35	35	33	33
Communications and Education	5	5	5	5	5	5
Totals	84	72	72	72	68	68

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series 1

Capitol Square Buildings and Grounds Oversight

Purpose: This program series supports the educational, security, and maintenance services for Capitol Square buildings and grounds.

The following table shows the line items that are used to fund the Capitol Square Buildings and Grounds Oversight program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Revenue Fund				
GRF	874-100	Personal Services	\$1,900,000	\$1,900,000
GRF	874-320	Maintenance and Equipment	\$952,269	\$952,269
General Revenue Fund Subtotal			\$2,852,269	\$2,852,269
General Services Fund				
4G5	874-603	Capitol Square Maintenance and Expenses	\$15,000	\$15,000
4S7	874-602	Statehouse Gift Shop / Events	\$770,484	\$770,484
General Services Fund Subtotal			\$785,484	\$785,484
Underground Parking Garage Fund				
208	874-601	Underground Parking Garage Operating	\$2,959,721	\$2,959,721
Underground Parking Garage Fund Subtotal			\$2,959,721	\$2,959,721
Total Funding: Capitol Square Buildings and Grounds Oversight			\$6,597,474	\$6,597,474

Principle Oversight Function and Maintenance

Program Description: The program provides funding to maintain the Statehouse buildings and grounds as a workplace for the Ohio state government and a museum and educational center for Ohio's citizens. This includes the operation of the Statehouse Café and providing informational, educational, and marketing materials to the public.

The Board's GRF funding is primarily directed toward payroll expenses, grounds maintenance and custodial services, utility costs, and communications and supplies. The approximate breakdown of projected expenses during each year of the biennium is: payroll – \$2.0 million; building and grounds – \$693,000; electric – \$263,000; natural gas – \$252,000; insurance – \$125,500; communications / supplies – \$92,000.

Funding Source: General Revenue Fund

Line Items: 874-100, Personal Services and 874-320, Maintenance and Equipment

Implication of Executive Recommendation: The Board requested a total of \$3,329,770 in GRF funding for FY 2006, \$2,852,269 (86%) of which was funded under the executive budget. In FY 2007, the Board requested a total of \$3,442,285 in GRF, and received \$2,852,269 (83%) under the executive budget. At

the time of this writing, the Board was not able to provide information related to how these reduced levels of funding would affect operations within the agency.

Statehouse Underground Parking Garage

Program Description: This program is responsible for the care and maintenance of the Statehouse underground parking garage. The garage is funded entirely by its own parking fee revenue, which in turn supports wages and benefits for approximately 25 employees, an annual bond payment of \$765,000, and general maintenance and upkeep for the garage.

Funding Source: Parking fee revenue

Line Items: 874-601, Underground Parking Garage Operating

Implication of Executive Recommendation: The executive recommendation fully funds the agency's request for Fund 208, Underground Parking Garage Operating. In recent years as GRF appropriations to the agency have decreased, revenue from the garage has been directed toward operating expenses for the Capitol Square and grounds, in addition to supporting garage employees, maintenance expenses, and an annual bond payment. In FY 2005, for example, \$350,000 from the garage fund has been used for other operating expenses of the agency. This has left the garage fund with a negative cash flow balance for FY 2005. As a result, priority projects for the garage, such as the completion of the installation of a fire suppression system, have been put on hold.

Statehouse Goods and Services

Program Description: This program is responsible for the operation of the Statehouse Museum Shop and the coordination of special events, such as legislative receptions held at the Statehouse. The program also provides for the purchase and restoration of art and artifacts, special room dedications, and educational projects in conjunction with the Statehouse Education Center, which is a program of the Ohio Historical Society.

The Statehouse Museum 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 and employs one shop manager and five shop associates.

Capitol Square also hosts some 600 special events annually, roughly half of which involve catered food service. 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.

Funding Source: Merchandise sales revenue from the Statehouse Museum Shop, rental and permit fees associated with Statehouse special events, and gifts and donations received by the Capitol Square

Line Items: 874-602, Statehouse Gift Shop/Events; 874-603, Capitol Square Maintenance Expenses

Implication of Executive Recommendation: The executive recommendation fully funds the agency's request for Funds 4S7 and 4G5. Funding will allow for the continuation of current service levels.

REQUESTS NOT FUNDED

The following table provides information relative to the agency's original request for appropriations to its two GRF line items: 874-100, Personal Services, and 874-320, Maintenance and Equipment. The amounts requested were unanimously approved by the members of the Capitol Square Review and Advisory Board.

Principle Oversight Function and Maintenance						
Fund Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
874-100	\$1,921,000	\$1,900,000	(\$21,000)	\$1,999,000	\$1,900,000	(\$99,000)
874-320	\$1,408,770	\$952,269	(\$456,501)	\$1,443,285	\$952,269	(\$491,016)
TOTALS	\$3,329,770	\$2,852,269	(\$477,501)	\$3,442,285	\$2,852,269	(\$590,016)

At the time of this writing, the Board was not able to provide information related to how the reduced levels of funding recommended by the Executive may affect operations within the agency.

General Revenue Fund

GRF 874-100 Personal Services

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$0	\$1,841,351	\$1,928,316	\$1,900,000	\$1,900,000
	N/A	N/A	4.7%	-1.5%	0.0%

Source: GRF

Legal Basis: ORC 105.41

Purpose: This line item is used to fund payroll expenses for the staff of the Capitol Square Review and Advisory Board. The Board provides all educational, maintenance, support, and security services for the Capitol Square Complex, the Statehouse, and its grounds. Prior to FY 2004, these funds were provided through line item 874-321, Operating Expenses.

GRF 874-320 Maintenance and Equipment

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$0	\$0	\$1,119,881	\$923,953	\$952,269	\$952,269
	N/A	N/A	-17.5%	3.1%	0.0%

Source: GRF

Legal Basis: ORC 105.41

Purpose: This line item is used to fund maintenance and equipment expenses of the Capitol Square Review and Advisory Board. The Board provides all educational, maintenance, support, and security services for the Capitol Square Complex, the Statehouse, and its grounds. Prior to FY 2004, these funds were provided through line item 874-321, Operating Expenses.

GRF 874-321 Operating Expenses

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$3,331,257	\$2,684,679	\$0	\$0	\$0	\$0
	-19.4%	-100.0%	N/A	N/A	N/A

Source: GRF

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

Purpose: This line item was used to fund administrative, maintenance, equipment, and utilities costs for the Capitol Square Review and Advisory Board, which provides all educational, maintenance, support, and security services for the Capitol Square Complex, the Statehouse, and its grounds. Beginning in FY 2004, this line item was discontinued and funding was transferred to line items 874-100, Personnel Services, and 874-320, Maintenance and Equipment.

General Services Fund Group

4G5 874-603 Capitol Square Maintenance Expenses

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$171,168	\$43,882	\$33,538	\$15,000	\$15,000	\$15,000
	-74.4%	-23.6%	-55.3%	0.0%	0.0%

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 the acquisition of art, antiques, and artifacts relevant to Ohio history and to the Statehouse for display at the Capitol Square. Under ORC 105.41, this fund is referred to as the Capitol Square Renovation Gift Fund.

4S7 874-602 Statehouse Gift Shop/Events

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$666,393	\$799,723	\$747,804	\$770,484	\$770,484	\$770,484
	20.0%	-6.5%	3.0%	0.0%	0.0%

Source: GSF: Fees, receipts, and revenues received from the sale of merchandise in the Statehouse gift shop and from special events held at the Statehouse

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 600 plus special events that occur on Statehouse grounds annually.

4T2 874-604 Government Television/Telecommunications Operating

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$8,704	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

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: Formerly, this line item supported the operating costs of the Ohio Government Telecommunications (OGT) studio, which provides media services around Capitol Square. In FY 2002, 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

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$2,530,031	\$2,596,699	\$2,473,563	\$2,959,721	\$2,959,721	\$2,959,721
	2.6%	-4.7%	19.7%	0.0%	0.0%

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 houses revenue obtained by the Capitol Square Review and Advisory Board from the Statehouse parking garage. It is directed toward the operation and maintenance of the garage itself, toward various Statehouse operating expenses, and toward repayment of bond obligations issued for the Board during the restoration of the Statehouse. Debt payments will continue until the year 2015 and total \$765,000 annually.

LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

Fund	ALI	ALI Title	2004	Estimated 2005	Executive 2006	% Change 2005 to 2006	Executive 2007	% Change 2006 to 2007
CSR Capitol Square Review and Advisory Board								
GRF	874-100	Personal Services	\$ 1,841,351	\$1,928,316	\$ 1,900,000	-1.5%	\$ 1,900,000	0.0%
GRF	874-320	Maintenance and Equipment	\$ 1,119,881	\$923,953	\$ 952,269	3.1%	\$ 952,269	0.0%
General Revenue Fund Total			\$ 2,961,232	\$ 2,852,269	\$ 2,852,269	0.0%	\$ 2,852,269	0.0%
4G5	874-603	Capitol Square Maintenance Expenses	\$ 33,538	\$15,000	\$ 15,000	0.0%	\$ 15,000	0.0%
4S7	874-602	Statehouse Gift Shop/Events	\$ 747,804	\$770,484	\$ 770,484	0.0%	\$ 770,484	0.0%
General Services Fund Group Total			\$ 781,342	\$ 785,484	\$ 785,484	0.0%	\$ 785,484	0.0%
208	874-601	Underground Parking Garage Operating	\$ 2,473,563	\$2,959,721	\$ 2,959,721	0.0%	\$ 2,959,721	0.0%
Underground Parking Garage Fund Total			\$ 2,473,563	\$ 2,959,721	\$ 2,959,721	0.0%	\$ 2,959,721	0.0%
Total All Budget Fund Groups			\$ 6,216,137	\$ 6,597,474	\$ 6,597,474	0.0%	\$ 6,597,474	0.0%