

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**Ohio Expositions Commission**

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## **ATTACHMENTS:**

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

# Ohio Expositions Commission

- Recommended budget of \$13.4 million in FY 2012 and \$13.3 million in FY 2013
- 2010 State Fair generated a profit of \$386,000
- GRF subsidy for Junior Fair eliminated.

## OVERVIEW

### Agency Overview

The Ohio Expositions Commission (EXP) is responsible for producing the annual Ohio State Fair with an emphasis on promoting Ohio's agricultural industry and youth education in the agricultural field. The Commission also holds many public events throughout the year at the 360-acre Ohio Expo Center, located in Columbus. The Commission is governed by a 13-member board, consisting of nine gubernatorial appointees, the directors of Development and Agriculture, and chairs of the House of Representatives and Senate standing committees dealing with agricultural issues. EXP currently employs 57 permanent staff, about two-thirds of whom are maintenance personnel. In addition to the permanent staff, the Commission hires a substantial number of temporary seasonal workers – about 900 annually – for the State Fair and the other events held at the Expo Center.

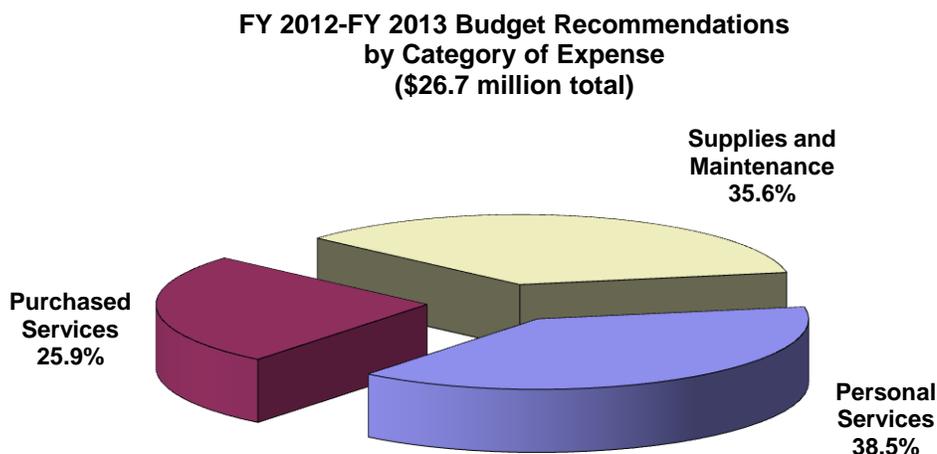
### Appropriation Overview

The table below shows the executive funding recommendations for EXP by fund group. Overall, the proposed funding is \$13.4 million in FY 2012 and \$13.3 million in FY 2013. The amount proposed for FY 2012 is a decrease of 2.9% when compared to estimated FY 2011 spending of \$13.8 million. For the FY 2012-FY 2013 biennium, all of the Commission's funding comes from State Special Revenue funds consisting of revenues from both state fair and nonfair events. About 3% of the overall funding, or \$400,000 in each year, is slated for prizes at harness races held at Scioto Downs in conjunction with the State Fair. In prior years, a GRF appropriation was used to support the Junior Fair activities at the Ohio State Fair. The Governor's funding proposal eliminates this subsidy, which was estimated to be \$252,000 in FY 2011.

Executive Budget Recommendations by Fund Group, FY 2012-FY 2013					
Fund Group	FY 2011*	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$252,000	\$0	(100%)	\$0	0%
State Special Revenue	\$13,535,000	\$13,391,000	(1.1%)	\$13,294,000	(0.7%)
<b>TOTAL</b>	<b>\$13,787,000</b>	<b>\$13,391,000</b>	<b>(2.9%)</b>	<b>\$13,294,000</b>	<b>(0.7%)</b>

\* FY 2011 totals represent estimated expenditures.

As the chart below illustrates, 38.5% of EXP's recommended funding over the FY 2012-FY 2013 biennium is slated for payroll. Supplies and maintenance costs account for a further 35.6% of proposed spending. Purchased services, primarily for entertainment and vending contracts for the State Fair, make up the remaining 25.9% of the recommended funding.



## Issues of Interest

### Master Plan Implementation

In recent years, EXP has been following through on a master plan to improve the grounds and facilities at the Expo Center. The first phase was completed in FY 2002 with the construction of the OHIO gate on 11th Avenue. Work on the second phase of the master plan – repairing and modernizing the 17th Avenue entrance and burying overhead wires – continues. These improvements are not funded through the main operating budget, but rather the capital budget. Recent capital appropriations have included \$14.0 million for a new multi-purpose building included in H.B. 699 of the 126th General Assembly, and \$20.0 million for building renovations, electrical upgrades, and parking lot improvements contained in H.B. 562 of the 127th General Assembly. The renovations include handicapped accessibility improvements for parking, building entrances, restrooms, and concert seating.

These improvements are intended to make the property more attractive to potential customers and to increase the number of nonfair events held at the fairgrounds, in turn boosting the Commission's operating revenue. In 2010, EXP hosted 155 nonfair events that covered a total of 343 event days. These events generated \$5.6 million in operating revenue in 2010, representing 42.1% of receipts in that year. EXP estimates that approximately 2.7 million people attended events on the state fairgrounds in 2010.

### **2010 State Fair Results**

EXP reported a profit of nearly \$386,000 from the 2010 State Fair. Overall revenue from the event, held July 28th through August 8th, was \$7.7 million, of which \$5.6 million (72.7%) was derived from admission fees, ticket sales for entertainment and attractions, and exhibit space rental. The remaining \$2.1 million (27.3%) came from event sponsorships, parking and camping fees, and other sources such as concession and livestock auction revenues. Expenses totaled \$7.3 million, with payroll and entertainment contracts accounting for \$4.6 million (63.0%) of that amount. A further \$2.7 million (37.0%) was spent on prizes, advertising, fairground maintenance, supplies, utilities, and other items. Over 812,000 attended the 2010 State Fair; nevertheless, this was a decrease of about 14,000 from the total in 2009.

### **Junior Fair Funding**

As mentioned previously, the Governor's budget proposal eliminates the GRF subsidy for Junior Fair events, which, in prior years, was appropriated in line item 723403, Junior Fair Subsidy. The subsidy pays for awards to participants, payments for judges, meals and lodging for the Ohio State Fair Band and Choir, and other various expenses. In order to maintain Junior Fair activities in the future, EXP intends to use the Ohio Expositions Commission Fund (Fund 5060) to cover these costs in the upcoming biennium.

## ANALYSIS OF EXECUTIVE PROPOSAL

Governor's Recommended Funding for EXP				
Fund	ALI and Name		FY 2012	FY 2013
<b>State Special Revenue Fund Group</b>				
4N20	723602	Ohio State Fair Harness Racing	\$400,000	\$400,000
5060	723601	Operating Expenses	\$12,991,000	\$12,894,000
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$13,391,000</b>	<b>\$13,294,000</b>
<b>Total Funding: EXP</b>			<b>\$13,391,000</b>	<b>\$13,294,000</b>

### Ohio State Fair Harness Racing (723602)

This line item is used to pay cash awards for harness races held in conjunction with the State Fair. The Ohio State Fair Harness Racing Fund (Fund 4N20) is a pass-through fund which holds entry fee receipts for the harness races collected by the Commission. These amounts are then disbursed to Scioto Downs, where these races are held. The executive recommends \$400,000 in each fiscal year for this line item, an increase of 40.4% from estimated FY 2011 expenditures of \$285,000 for this purpose. Fund 4N20 collected \$284,260 in receipts and disbursed \$336,780 in FY 2010.

### Operating Expenses (723601)

The executive recommendation for this line item is approximately \$13.0 million in FY 2012, a 2% decrease when compared to estimated FY 2011 spending of \$13.3 million. The FY 2013 recommendation is \$12.9 million, a reduction of just under 1% when compared to the FY 2012 amount. This line item is used to pay all expenses related to operations at the Expo Center. Also, because the Governor's funding proposal eliminated the GRF subsidy for the State Fair, these costs will now be absorbed by line item 723601. EXP paid \$249,580 in Junior Fair costs in FY 2010. The estimated amount of the Junior Fair subsidy in FY 2011 is \$252,000.

The Ohio Expositions Fund (Fund 5060) is comprised of fees charged during the annual State Fair, as well as for nonfair events. State Fair revenues are derived from space rentals, exhibit entries, admissions, parking, and other sources. Nonfair revenues consist of charges for building rentals, parking, and concession income from the 155 or so events held at the Expo Center throughout the year. Overall, FY 2010 receipts from the State Fair and nonfair events totaled \$13.3 million. Of that amount, \$7.7 million (57.9%) was derived from the 2010 State Fair.

## Expositions Commission

### General Revenue Fund

#### **GRF 723403 Junior Fair Subsidy**

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$396,573	\$395,037	\$249,580	\$252,000	\$0	\$0
	-0.4%	-36.8%	1.0%	-100%	N/A

**Source:** General Revenue Fund

**Legal Basis:** Section 285.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 215 of the 122nd G.A.)

**Purpose:** This line item is 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.

### State Special Revenue Fund Group

#### **4N20 723602 Ohio State Fair Harness Racing**

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$412,266	\$369,984	\$336,780	\$285,000	\$400,000	\$400,000
	-10.3%	-9.0%	-15.4%	40.4%	0.0%

**Source:** State Special Revenue Fund Group: Participant entry fees for state fair harness races

**Legal Basis:** Section 285.10 of Am. Sub. H.B. 1 of the 128th G.A (originally established by Controlling Board on May 3, 1993)

**Purpose:** This line item is used to pay cash awards for harness races held in conjunction with the State Fair. The Ohio State Fair Harness Racing Fund (Fund 4N20) is a pass-through fund which holds entry fees for the harness races that are collected by the Expositions Commission and disbursed to Scioto Downs, where the races are held. Previously, these funds were processed through line item 723601, Operating Expenses.

## Expositions Commission

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### 5060 723601 Operating Expenses

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$12,411,725	\$12,367,461	\$12,404,223	\$13,250,000	<b>\$12,991,000</b>	<b>\$12,894,000</b>
	-0.4%	0.3%	6.8%	<b>-2.0%</b>	<b>-0.7%</b>

**Source:** State Special Revenue Fund Group: Fees charged during the annual State Fair and for non-fair events. State Fair income is derived from space rental, exhibit entries, admissions, and parking; fees collected during events held throughout the year include charges for building rental, parking, and concession income

**Legal Basis:** ORC 991.04; Section 285.10 of Am. Sub. H.B. 1 of the 128th G.A.

**Purpose:** This line item is used to make all disbursements for payroll, maintenance, and equipment costs associated with the State Fair and non-fair events. In addition to the State Fair, there were 137 non-fair events held in FY 2009.

# FY 2012 - FY 2013 Introduced Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>EXP Expositions Commission</b>								
GRF	723403	Junior Fair Subsidy	\$ 249,580	\$ 252,000	\$ 0	-100.00%	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 249,580</b>	<b>\$ 252,000</b>	<b>\$ 0</b>	<b>-100.00%</b>	<b>\$ 0</b>	<b>N/A</b>
4N20	723602	Ohio State Fair Harness Racing	\$ 336,780	\$ 285,000	\$ 400,000	40.35%	\$ 400,000	0.00%
5060	723601	Operating Expenses	\$ 12,404,223	\$ 13,250,000	\$ 12,991,000	-1.95%	\$ 12,894,000	-0.75%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 12,741,002</b>	<b>\$ 13,535,000</b>	<b>\$ 13,391,000</b>	<b>-1.06%</b>	<b>\$ 13,294,000</b>	<b>-0.72%</b>
<b>Expositions Commission Total</b>			<b>\$ 12,990,582</b>	<b>\$ 13,787,000</b>	<b>\$ 13,391,000</b>	<b>-2.87%</b>	<b>\$ 13,294,000</b>	<b>-0.72%</b>