LSC Redbook

Analysis of the Executive Budget Proposal

Ohio Cultural Facilities Commission

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TABLE OF CONTENTS

OVERVIEW 1

Agency Overview 1
Appropriation Overview 2

ATTACHMENTS:

Catalog of Budget Line Items
Budget Spreadsheet By Line Item

Ohio Cultural Facilities Commission

- AFC is abolished and its construction administration duties are transferred to the Ohio Facilities Construction Commission

OVERVIEW

Agency Overview

Under the executive budget, the Ohio Cultural Facilities Commission (AFC) is abolished and its construction administration functions are transferred to the Ohio Facilities Construction Commission (OFCC). A small portion of funding for equipment and maintenance is also transferred to the Department of Administrative Services (DAS). The following narrative briefly describes AFC's current structure and responsibilities. For appropriation item descriptions and further detail on the executive budget proposal, please see the LSC Redbooks for OFCC and DAS.

AFC currently administers the development of arts, sports, and historical facilities statewide using a combination of capital and operating dollars. The responsibilities of AFC include funding oversight for projects at theaters, music venues, museums, local historical facilities, arts education facilities, science and technology museums, and publicly owned professional sports venues. AFC has also been responsible for administering the capital funding and debt service for projects at state historical sites managed by the Ohio Historical Society (OHS).

Since its inception in 1988, AFC has acted as the steward of over $521.4 million in state capital improvement funds appropriated for planning, construction, renovation, and expansion at over 300 projects in 72 counties statewide. Of the $521.4 million appropriated, nearly $490.8 million (94.1%) has been disbursed through June 2012. AFC is assigned projects in the state's biennial capital appropriations bills. Once a project has been assigned to AFC, its staff provides project management assistance, capital dollars administration, and contract oversight for the communities and local project sponsors. This oversight is required for the entire duration of bond funding, which for these projects is typically 15 years.

AFC is currently governed by nine members appointed by the Governor (one must represent OFCC) and three nonvoting members (one member each from the Senate and the House of Representatives, and the Executive Director of the Ohio Arts Council). AFC's staff of six full-time employees and one part-time employee includes the executive, administrative, and fiscal staff, as well as project coordinators who oversee the progress of funded projects.

Appropriation Overview

The executive budget recommendations for the appropriation items transferred from AFC to OFCC and DAS total about $33.4 million in FY 2014 and $30.1 million in FY 2015. In the FY 2014-FY 2015 biennium, the executive budget appropriates the large majority of funding to OFCC (99.7%) and a very small portion to DAS (0.3%). The table below shows the breakdown of appropriation transfers from AFC to other agencies under the executive budget proposal.

AFC Appropriation Item Transfers to OFCC and DAS, FY 2014-FY 2015							
Fund	**AFC ALI and Name**		**Agency**	**New ALI and Name**		**FY 2014**	**FY 2015**
General Revenue Fund							
GRF	371321	Operating Expenses	N/A	N/A	N/A	$0	$0
GRF	371401	Lease Rental Payments	OFCC	230401	Lease Rental Payments – Cultural Facilities	$33,106,400	$29,854,500
State Special Revenue Fund Group							
4T80	371601	Riffe Theatre Equipment Maintenance	DAS	100662	Theatre Equipment Maintenance*	$80,891	$80,891
4T80	371603	Project Administration Services	OFCC	230603	Community Project Administration	$200,000	$200,000
Total						**$33,387,291**	**$30,135,391**

*Ticket receipts collected in Fund 4T80 through a management contract with the Riffe Theatres are credited to Fund 5MV0 under the executive budget. Appropriation item 100662, Theatre Equipment Maintenance, is financed through Fund 5MV0.

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General Revenue Fund

GRF 371321 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
$93,416	$92,703	$100,080	$98,636	**$0**	**$0**
	-0.8%	8.0%	-1.4%	**-100%**	**N/A**

Source: General Revenue Fund

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

Purpose: This line item supported agency operations by providing funds for payroll, maintenance, equipment, and related expenses that were not directly associated with administering capital projects.

GRF 371401 Lease Rental Payments

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
$26,329,718	$27,436,248	$27,804,900	$28,465,000	**$0**	**$0**
	4.2%	1.3%	2.4%	**-100%**	**N/A**

Source: General Revenue Fund

Legal Basis: Discontinued line item

Purpose: This line item was used to retire debt for revenue bonds issued by the Treasurer of State for cultural projects and sports facilities throughout the state. Beginning in FY 2014, debt service payments for this purpose will be funded under Ohio Facilities Construction Commission line item 230401, Lease Rental Payments - Cultural Facilities.

State Special Revenue Fund Group

4T80 371601 Riffe Theatre Equipment Maintenance

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
$80,891	$73,704	$28,552	$80,891	**$0**	**$0**
	-8.9%	-61.3%	183.3%	**-100%**	**N/A**

Source: State Special Revenue Fund Group: Rebates from CAPA from a graduated ticket surcharge (facility fee)

Legal Basis: Discontinued line item

Purpose: This line item received rebates from the Columbus Association for the Performing Arts (CAPA) from a graduated ticket surcharge (facility fee) as part of their management contract with the Cultural Facilities Commission for the Riffe Theatres. These funds were used for needed repairs and equipment at the theatres. Beginning in FY 2014, expenses for theater repairs and equipment will be funded under Department of Administrative Services line item 100662, Theatre Equipment Maintenance, in the Theater Equipment Maintenance Fund (Fund 5MV0). Ticket receipts collected in the Ohio Cultural Facilities Commission Administration Fund (Fund 4T80) will be transferred to Fund 5MV0.

4T80 371603 Project Administration Services

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
$1,227,716	$1,202,205	$1,080,787	$780,000	**$0**	**$0**
	-2.1%	-10.1%	-27.8%	**-100%**	**N/A**

Source: State Special Revenue Fund Group: Interest earnings and premiums from revenue bonds

Legal Basis: Discontinued line item

Purpose: This line item received premiums and earnings from investments of revenue bonds issued by the Treasurer of State (and former Ohio Building Authority) for the renovation and construction of cultural and sports facilities. The earnings provided funds for payroll, maintenance, equipment, and related expenses. The operations supported included all activities related to agency management of projects funded by the revenue bonds. Beginning in FY 2014, this line item will be funded under Ohio Facilities Construction Commission line item 230603, Community Project Administration.

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
Report For Main Operating Appropriations Bill				**Version: As Introduced**				
AFC Ohio Cultural Facilities Commission								
GRF	371321	Operating Expenses	$ 100,080	$ 98,636	$ 0	-100.00%	$ 0	N/A
GRF	371401	Lease Rental Payments	$ 27,804,900	$ 28,465,000	$ 0	-100.00%	$ 0	N/A
General Revenue Fund Total			**$ 27,904,981**	**$ 28,563,636**	**$ 0**	**-100.00%**	**$ 0**	**N/A**
4T80	371601	Riffe Theatre Equipment Maintenance	$ 28,552	$ 80,891	$ 0	-100.00%	$ 0	N/A
4T80	371603	Project Administration Services	$ 1,080,787	$ 780,000	$ 0	-100.00%	$ 0	N/A
State Special Revenue Fund Group Total			**$ 1,109,339**	**$ 860,891**	**$ 0**	**-100.00%**	**$ 0**	**N/A**
Ohio Cultural Facilities Commission Total			**$ 29,014,320**	**$ 29,424,527**	**$ 0**	**-100.00%**	**$ 0**	**N/A**