

- Debt Service payments continue to comprise nearly all of GRF appropriations – over 99% in each fiscal year
- Funding for agency operations reflect continued service levels

Arts and Sports Facilities Commission

Allison Thomas, Economist

ROLE

The Ohio Arts Facilities Commission was created in 1988 to provide for the development, performance, and presentation of the arts in Ohio. Those responsibilities include the provision, operation, and management of arts facilities in cooperation with local government and nonprofit project sponsors, and the appropriate state agencies. The Commission reports to the Governor and the General Assembly on the need for any additional facilities, and conducts reviews to ensure that the uses of Ohio arts facilities are consistent with statewide interests and the Commission's purposes.

Through Am. H.B. 748 of the 121st General Assembly (as amended by Am. Sub. S.B. 310), the Ohio Arts Facilities Commission was renamed the Ohio Arts and Sports Facilities Commission (OASFC) to better reflect their expanded authority that permitted it to own, construct, furnish, and manage sports facilities. Over the last 14 years, more than \$390 million has been appropriated for 135 arts and sports facility projects across the state. This number includes more than 50 State Historical Facilities projects, under which the Commission partners with the Ohio Historical Society.

The Commission consists of seven voting members appointed by the Governor and three nonvoting members, one each appointed by the Senate and House of Representatives, and the Executive Director of the Ohio Arts Council. The Commission's staff of ten includes an executive director, a finance director, a community relations director, an information systems director, three project managers, an executive assistant, an administrative assistant, and an intern.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
10	\$37.7 million	\$39.0 million	\$36.6 million	\$37.9 million	Am. Sub. H.B. 95

*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

OVERVIEW

The Commission's current project portfolio of active projects is comprised of 119 projects that include arts facilities, sports facilities, and state historical facilities. Appropriations for these projects (funded through the biennial capital bill) total \$250,680,457. In the most recent capital budget bill, H.B. 675 of the 124th General Assembly, \$62.8 million in 65 arts, sports, and historical facilities projects was appropriated to the Commission for oversight; of this total, \$25.3 million went to 39 new projects.

Appropriation authority for FY 2004 totals \$37,659,822, an increase of 12.0% above estimated FY 2003 spending levels of \$33.6 million; appropriation authority for FY 2005 is \$39,032,684, or 3.7% above FY 2004 appropriation levels. Fiscal year 2004 funding for line item 371-321, Operating Expenses, increased by nearly 292.6% from FY 2003 spending of \$80,851 to a FY 2004 appropriation of \$317,451. Exhibiting an increase of 11.2% over FY 2003 spending and an increase of 3.7% over the FY 2004 appropriation, GRF line item 371-401, Lease Rental Payments, provides \$36.3 million in FY 2004 and \$37.6 million in FY 2005 for debt service payments for capital projects.

BUDGET ISSUES

CALCULATIONS OF USEFUL LIFE OF A FACILITY

A change in permanent law removed the requirement that the length of time that debt is outstanding for a cooperative or management contract entered into by an Ohio arts facility with the OASFC must be for a term not less than the time remaining to the date of payment of any state bonds issued to pay the costs of the arts project. A change in permanent law also removed the minimum time period requirement for which the state must have a property interest in an Ohio sports facility, its site, or a portion of the facility when financed from state bond proceeds. This requirement was one of the elements needed before state funds can be used to pay for the Ohio sports facility. Neither of these changes resulted in a fiscal effect to the agency's budget.

PROJECT ADMINISTRATION

Appropriation item 371-603, Project Administration (Fund 4T8), is used to pay for the operating expenses of the Commission. Because the revenue in Fund 4T8 comes from interest earned on revenue bonds issued for capital project renovations and construction, any money used for operating expenses must be directly tied to a bond-funded project. Am. Sub. H.B. 95 requires the Director of Budget and Management to determine the available interest earnings in both the Arts Facilities Building Fund (Fund 030) and the Sports Facilities Building Fund (Fund 024) and transfer them to the Arts and Sports Facilities Commission Administration Fund (Fund 4T8); the total amount transferred over FYs 2004 and 2005 cannot exceed the total biennial appropriations of \$2,109,716 in appropriation item 371-603, Project Administration (Fund 4T8). For those expenses not directly tied to a bond-funded project, GRF funds in appropriation item 371-321, Operating Expenses, is used. 

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

<i>Line Item Detail by Agency</i>	<i>FY 2001:</i>	<i>FY 2002:</i>	<i>FY 2003:</i>	<i>FY 2004 Appropriations:</i>	<i>% Change 2003 to 2004:</i>	<i>FY 2005 Appropriations:</i>	<i>% Change 2004 to 2005:</i>
-----------------------------------	-----------------	-----------------	-----------------	--------------------------------	-------------------------------	--------------------------------	-------------------------------

Report For: Main Operating Appropriations Bill

Version: Enacted

AFC Arts and Sports Facilities Commission							
GRF 371-321	Operating Expenses	\$ 1,036,292	\$ 126,192	\$80,851	\$ 317,451	292.64%	\$ 317,451 0.00%
GRF 371-401	Lease Rental Payments	\$ 27,628,607	\$ 32,373,918	\$32,633,749	\$ 36,283,800	11.18%	\$ 37,617,700 3.68%
General Revenue Fund Total		\$ 28,664,899	\$ 32,500,110	\$ 32,714,600	\$ 36,601,251	11.88%	\$ 37,935,151 3.64%
4T8 371-601	Riffe Theatre Equipment Maintenance	\$ 9,509	\$ 1,723	\$1,478	\$ 23,194	1,469.28%	\$ 23,194 0.00%
4T8 371-603	Project Administration	----	\$ 791,146	\$901,856	\$ 1,035,377	14.81%	\$ 1,074,339 3.76%
State Special Revenue Fund Group Total		\$ 9,509	\$ 792,869	\$ 903,334	\$ 1,058,571	17.18%	\$ 1,097,533 3.68%
Arts and Sports Facilities Commission Total		\$ 28,674,408	\$ 33,292,979	\$ 33,617,934	\$ 37,659,822	12.02%	\$ 39,032,684 3.65%