

# Ohio Expositions Commission

Jason Phillips, Budget Analyst

- Ohio State Fair Attendance in 2006 of 814,152 was up slightly (1.5%) from 2005 Fair attendance of 802,074
- Funding of \$14,688,652 for FY 2008 and \$14,563,315 in FY 2009

## OVERVIEW

### Duties and Responsibilities

The Ohio Expositions Commission was created and is governed by Revised Code Chapter 991. It is comprised of a 13-member commission specifically charged with the responsibility of conducting at least one fair annually and maintaining and managing property held by the state for the purpose of conducting fairs, expositions, and exhibits. The Commission oversees operations of the Ohio Expositions Center, a 360-acre facility located in Columbus and employs approximately 70 permanent staff.

### Agency in Brief

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Number of Employees*	Total Appropriations - All Funds		GRF Appropriations		Appropriation Bill(s)
	2008	2009	2008	2009	
122	\$14.69 million	\$14.56 million	\$400,000	\$400,000	Am. Sub. H.B. 119

\* Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2007. The Expositions Commission noted that it had 65 full-time employees, 16 part-time employees and 41 seasonal employees as of June 15, 2007. The seasonal employees are pre-fair. The Commission employs up to 1,000 additional seasonal employees for the State Fair.

### Summary of Appropriations

The budget appropriates \$14,688,652 in FY 2008, which is 0.9% higher than the FY 2007 amount of \$14,563,315. The budget appropriates \$14,563,315 in FY 2009. The increase in FY 2008 is attributable to \$125,337 appropriated from the State Fair Reserve Fund in the event of poor weather or extraordinary circumstances that result in a loss of revenue for the State Fair. Without this appropriation, the Commission would otherwise be flat-funded at the FY 2007 level. The Commission is 97% funded through its rotary funds in the State Special Revenue Fund group. The balance of the Commission's budget is funded by the GRF to fund expenses associated with hosting Junior Fair participants.

### Summary of FYs 2008 – 2009 Budget Issues

The Commission's goal is to become a self-sufficient agency. In order to do this, the Commission believes it must continue to make long-term improvements to the annual Ohio State Fair and provide an accommodating facility that will attract new nonfair events. The Commission is hopeful that these efforts will increase both participants and guests at the Fair and the nonfair events, resulting in greater revenues to fully support its operations.

The primary fiscal and programmatic challenge of the Ohio State Fair lies in achieving public expectation, such as providing support to the Junior Fair, while not negatively impacting the annual operating budget of the Commission. Many fair visitors believe that prices for entry, admission, and Midway rides should be nominal, so a concerted attempt is made to keep Fair prices affordable. However, the Fair is currently not designed to break even in and of itself. Fair revenue depends upon paid attendance, which is related to admission and midway prices, and also the weather. Therefore, the Ohio Expositions Commission relies on a strong nonfair operation to financially buffer these Fair revenue factors and support the total annual operations of the Ohio Expo Center.

### **Payroll and Utility Costs**

Another factor impacting the Commission's budget is the increasing cost to support payroll. While Commission management has reduced payroll costs as a whole by not filling vacated positions, the Commission's workers' compensation premiums increased by \$120,000 annually beginning in CY 2005 through a premium cap being removed. The Commission has been able to absorb the premium increase by drawing down an internal operating surplus resulting from the 2004 Ohio State Fair, which had extraordinarily good weather and high revenue. The amendment to Ohio's Constitution increasing the minimum wage will increase fair payroll by approximately \$75,000. Additionally, the 3.5% mandated pay increases occurring at the beginning of FY 2008 and FY 2009 will be absorbed through nominal price increases for all-day ride wristbands, nonfair rental space, parking and concert tickets. The continued increase in utility costs is also a concern.

### **Increased Competition**

The Commission also faces challenges from increased competition among the many entertainment venues in Columbus. For instance, the Commission cites venues such as the Columbus Zoo, Schottenstein Center and Nationwide Arena as hindering the ability of the Commission to fill the Celeste Center for featured entertainment for the 12-day State Fair. There is increased local competition for nonfair events as well. These are an important source of revenue to the Commission through rental fees for the facility and through parking fees. In order to remain competitive for such events, the Commission has worked to address the Expo Center's image through the phased implementation of the Facility Improvement and Modernization Plan mentioned previously.

For the FY 2008 - 2009 biennium, the Commission plans to continue its ongoing efforts to promote efficient management, increase return business, and increase customer satisfaction with the physical facilities. The aim is to increase the number of participants and the guests that come to the Ohio Expositions Center, whether for the State Fair or for nonfair events. Success in improved management, well maintained facilities and increased attendance would provide greater revenues to support operations on a daily basis.

## ANALYSIS OF THE BUDGET

### Single Program Series

### State Fair Facilities

**Purpose:** The Ohio Expositions Commission is responsible for (1) producing the annual Ohio State Fair, and (2) professionally managing and maintaining the Ohio Expositions Center, a 360-acre facility located in Columbus, for year-round events.

The following table shows the line items that are used to fund the Ohio Expositions Commission, as well as the funding levels for the FYs 2008 – 2009 biennium by fiscal year.

Fund	ALI	Title	FY 2008	FY 2009
<b>General Revenue Fund</b>				
GRF	723-403	Junior Fair Subsidy	\$400,000	\$400,000
<b>General Revenue Fund Subtotal</b>			<b>\$400,000</b>	<b>\$400,000</b>
<b>State Special Revenue Fund Group</b>				
4N2	723-602	Ohio State Fair Harness Racing	\$520,000	\$520,000
506	723-601	Operating Expenses	\$13,643,315	\$13,643,315
640	723-603	State Fair Reserve	\$125,337	\$0
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$14,288,652</b>	<b>\$14,163,315</b>
<b>Total Funding: Expositions Commission</b>			<b>\$14,688,652</b>	<b>\$14,563,315</b>

The Expositions Commission is responsible for the following two programs:

- **State Fair Management**
- **Nonfair Events**

### State Fair Management

**Program Description:** The Ohio State Fair, authorized by R.C. Chapter 991., is an annual event that emphasizes youth education, and the promotion of Ohio's agricultural industry, Ohio products, Ohio tourism, and cultural activities. The Junior Fair, a part of the Ohio State Fair, allows over 10,000 youth from across the state who participate in FFA or 4H to show their livestock. In addition, youth bands and choirs are invited to perform at the Fair. The commission provides lodging and food for these youth while they are participating in the Fair. These youth programs are supported through the GRF and general operating revenues. The Commission also conducts harness racing during the Fair. Participants in the harness races pay an entry fee, which goes to pay for the use of the Scioto Downs Race Track located in Central Ohio. State Fair attendance was 802,074 in CY 2005 and 814,152 in CY 2006.

**Funding Source:** GRF and SSR derived from fees charged for facility rental, exhibit entries, parking, admissions, etc.

**Implication of the Budget:** The budget provides \$7,500,693 in FY 2008 and \$7,368,991 in FY 2009 for the State Fair Management program. The amount appropriated for FY 2008 includes \$125,337 out of the State Fair Reserve Fund (Fund 640) in the case of low State Fair revenues resulting from inclement weather or extraordinary circumstances. Overall, the Commission reports that the budget allows it to maintain current service levels if State Fair attendance is not hampered by poor weather.

## Nonfair Events

**Program Description:** The Expositions Commission serves as the home to over 200 events on a yearly basis, including three of the top six conventions held in the City of Columbus. The Expositions Commission continues to market and enhance the image of the Ohio Expo Center and strives to increase nonfair revenue and stabilize operating expenses.

**Funding Source:** SSR, consisting of fees for fair and nonfair events

**Implication of the Budget:** The budget provides \$7,187,959 in FY 2008 and \$7,194,324 in FY 2009 for the Nonfair Events program, which allows the Commission to sustain current funded activities.

**FY 2008 - 2009 Final Appropriation Amounts**

**All Fund Groups**

<i>Line Item Detail by Agency</i>			<i>FY 2005:</i>	<i>FY 2006:</i>	<i>FY 2007 Adj. Appropriations:</i>	<i>FY 2008 Appropriations:</i>	<i>% Change 2007 to 2008:</i>	<i>FY 2009 Appropriations:</i>	<i>% Change 2008 to 2009:</i>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>						
<b>EXP Expositions Commission</b>									
GRF	723-403	Junior Fair Subsidy	\$ 432,546	\$ 400,000	\$ 400,000	\$ 400,000	0.00%	\$ 400,000	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 432,546</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>0.00%</b>	<b>\$ 400,000</b>	<b>0.00%</b>
4N2	723-602	Ohio State Fair Harness Racing	\$ 449,850	\$ 444,170	\$ 520,000	\$ 520,000	0.00%	\$ 520,000	0.00%
506	723-601	Operating Expenses	\$ 12,189,866	\$ 12,489,450	\$ 13,643,315	\$ 13,643,315	0.00%	\$ 13,643,315	0.00%
640	723-603	State Fair Reserve	---	---	\$ 0	\$ 125,337	N/A	\$ 0	-100.00%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 12,639,716</b>	<b>\$ 12,933,620</b>	<b>\$ 14,163,315</b>	<b>\$ 14,288,652</b>	<b>0.88%</b>	<b>\$ 14,163,315</b>	<b>-0.88%</b>
<b>Expositions Commission Total</b>			<b>\$ 13,072,262</b>	<b>\$ 13,333,620</b>	<b>\$ 14,563,315</b>	<b>\$ 14,688,652</b>	<b>0.86%</b>	<b>\$ 14,563,315</b>	<b>-0.85%</b>