

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **Ohio Expositions Commission**

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## **ATTACHMENT:**

Budget Spreadsheet By Line Item

# Ohio Expositions Commission

- Appropriations of \$13.6 million in FY 2012 and \$13.5 million in FY 2013
- 2010 State Fair generated a profit of \$386,000
- Over 150 events held at the Fairgrounds in 2010

## 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 58 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 FY 2012-FY 2013 appropriations for EXP by fund group. The amount appropriated for FY 2012 is \$13.6 million, an increase of 1.5% compared to FY 2011 spending of \$13.4 million. The FY 2013 amount is \$13.5 million. Almost all of this funding comes from receipts collected from the annual State Fair and other events held at the fairgrounds, as well as race entry fees for harness races held at Scioto Downs in conjunction with the State Fair. The GRF component, \$250,000 in each fiscal year, is a subsidy for Junior Fair activities that coincide with the State Fair.

Budget Appropriations 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	\$250,704	\$250,000	(.28%)	\$250,000	0%
State Special Revenue	\$13,186,750	\$13,391,000	1.6%	\$13,294,000	(0.8%)
<b>TOTAL</b>	<b>\$13,437,454</b>	<b>\$13,641,000</b>	<b>1.5%</b>	<b>\$13,544,000</b>	<b>(0.7%)</b>

\*The FY 2011 amounts represent actual expenditures for that fiscal year.

## Issues of Interest

### Fairgrounds Master Plan

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. Overall, 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.

### Operating Results for the 2010 State Fair and Other Events

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, a decrease of about 14,000 from the total in 2009. In addition to the State Fair, EXP hosted 155 nonfair events that covered a total of 343 event days in 2010. These activities generated \$5.6 million in operating revenue in 2010, accounting for 42.1% of receipts for the year. In all, approximately 2.7 million people attended events on the fairgrounds in 2010.

## **ANALYSIS OF ENACTED BUDGET**

<b>Appropriations for the Ohio Expositions Commission</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2012</b>	<b>FY 2013</b>
<b>General Revenue Fund</b>				
GRF	723403	Junior Fair Subsidy	\$250,000	\$250,000
<b>General Revenue Fund Subtotal</b>			<b>\$250,000</b>	<b>\$250,000</b>
<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: Ohio Expositions Commission</b>			<b>\$13,641,000</b>	<b>\$13,544,000</b>

### **Junior Fair Subsidy (723403)**

This line item is used to support 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. The appropriation of \$250,000 in both FY 2012 and FY 2013 is almost identical to the \$250,704 spent for this purpose in FY 2011. Any Junior Fair costs that exceed this GRF appropriation are paid from the Expositions Fund (Fund 5060).

### **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 budget appropriates \$400,000 in each fiscal year for this line item, an increase of 40.7% from FY 2011 spending of \$284,261 for this purpose.

### **Operating Expenses (723601)**

The FY 2012 appropriation for this line item is almost \$13.0 million, an increase of just under \$100,000 compared to FY 2011 spending of \$12.9 million. The FY 2013 appropriation is \$12.9 million. A sizeable amount of these appropriations is for payroll for staff, including the 58 permanent employees, other staff, and the 900 or so temporary employees typically hired for the State Fair. Any costs in excess of the GRF subsidy for the State Fair is also absorbed by this line item.

The Ohio Expositions Fund (Fund 5060) is comprised of receipts from fees derived from the annual State Fair and other events held at the fairgrounds. For the State Fair, receipts consist of fees charged for space rentals, exhibit entries, admissions,

parking, and other items. An appreciable amount of revenue also comes from other year-round events. This includes building rental fees, parking, and concession income from the 155 or so events held at the Expo Center throughout the year. Overall, FY 2011 receipts from the State Fair and nonfair events totaled nearly \$13.5 million. Of that amount, \$7.7 million (57.9%) was derived from the 2010 State Fair.

Uncodified law allows the Commission to tap the State Fair Reserve Fund (Fund 6400) if operating revenues fall unexpectedly short. Specifically, the language allows the General Manager of the Expositions Commission to submit a request to the Controlling Board to use the reserve if (1) admissions receipts for the 2011 or 2012 Ohio State Fair are less than \$1.9 million because of inclement weather or extraordinary circumstances, and (2) the Ohio Expositions Commission declares a state of fiscal exigency. However, any request for emergency funding must be accompanied by a plan describing how EXP will eliminate the cash shortage causing the request.

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# FY 2012 - FY 2013 Final Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>EXP Expositions Commission</b>								
GRF	723403	Junior Fair Subsidy	\$ 249,580	\$ 250,704	\$ 250,000	-0.28%	\$ 250,000	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 249,580</b>	<b>\$ 250,704</b>	<b>\$ 250,000</b>	<b>-0.28%</b>	<b>\$ 250,000</b>	<b>0.00%</b>
4N20	723602	Ohio State Fair Harness Racing	\$ 336,780	\$ 284,261	\$ 400,000	40.72%	\$ 400,000	0.00%
5060	723601	Operating Expenses	\$ 12,404,223	\$ 12,902,489	\$ 12,991,000	0.69%	\$ 12,894,000	-0.75%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 12,741,002</b>	<b>\$ 13,186,750</b>	<b>\$ 13,391,000</b>	<b>1.55%</b>	<b>\$ 13,294,000</b>	<b>-0.72%</b>
<b>Expositions Commission Total</b>			<b>\$ 12,990,582</b>	<b>\$ 13,437,454</b>	<b>\$ 13,641,000</b>	<b>1.51%</b>	<b>\$ 13,544,000</b>	<b>-0.71%</b>