

Redbook

LBO Analysis of Executive Budget Proposal

Ohio Expositions Commission

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LBO Redbook

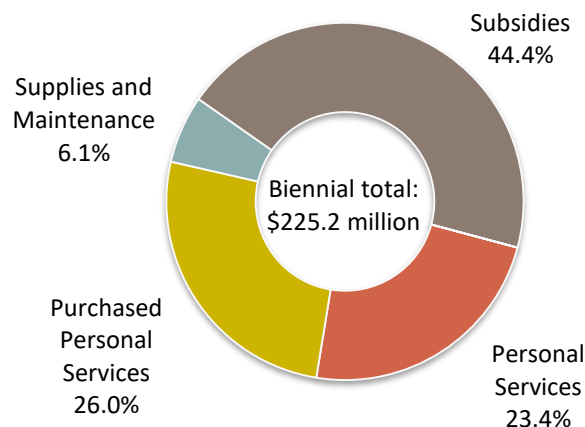
Ohio Expositions Commission

Quick look...

- The Ohio Expositions Commission (EXP) produces the annual Ohio State Fair and operates the Ohio Expo Center, a year-round multipurpose convention and meeting facility.
- The Commission is governed by a 14-member board, consisting of nine gubernatorial appointees; directors of the Department of Development, Agriculture, and Natural Resources; and chairs of the House and Senate standing committees that deal with agricultural issues.
- The Commission employs around 50 full-time permanent staff, about 600 seasonal workers for the State Fair, and about 90 seasonal workers for nonfair events.
- The executive recommends \$225.2 million in funding over the biennium. Of that amount:
 - \$190.0 million (84.4%) is for projects outlined in the Expo 2050 master plan. This funding is supported by a cash transfer from the FY 2023 GRF surplus.
 - \$34.5 million is for operating expenses related to holding the State Fair and other events throughout the year.

Fund Group	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
General Revenue	\$350,643	\$363,750	\$380,000	\$380,000
Dedicated Purpose	\$10,338,093	\$68,936,864	\$112,165,000	\$112,276,000
Total	\$10,688,736	\$69,300,614	\$112,545,000	\$112,656,000
% change	--	548.4%	62.4%	0.1%
<i>GRF % change</i>	--	3.7%	4.5%	0.0%

**EXP Budget by Expense Category
FY 2024-FY 2025 Biennium**



Agency overview

The Ohio Expositions Commission (EXP) is responsible for maintaining the buildings and grounds on an approximately 360-acre site in Columbus that is used as a year-round venue for large events and exhibitions. Overall, there are over one million square feet of event space in the 14 buildings that are part of the Ohio Expo Center. In addition to hosting the annual Ohio State Fair, the Expo Center brings in approximately 150 events and exhibitions. Typically, receipts from these sources make up the bulk of operating revenue under EXP’s budget. However, for the FY 2024-FY 2025 biennium, 84.4% of EXP’s recommended budget is supported by a cash transfer from the FY 2023 GRF surplus revenue. This funding will support projects detailed in the Ohio Expo 2050 master plan for the Expo Center and State Fair. Beyond what is appropriated for operating expenses in the main operating budget, EXP receives funding under the capital budget to modernize the buildings and grounds in order to keep the Expo Center competitive among other venues in bidding for shows and exhibitions.

The Commission is governed by a 14-member board. The EXP staff roster includes (1) 50 full-time employees, (2) 600 seasonal workers in order to plan for and produce the State Fair, and (3) about 90 seasonal workers for the other year-round events held at the Expo Center. EXP staffing has rebounded since the COVID-19 pandemic, during which staffing was reduced to six full-time staff members.

Analysis of FY 2024-FY 2025 budget proposal

Overall, the executive recommended budget for EXP is approximately \$112.5 million in FY 2024 and \$112.7 million in FY 2025. As the chart on the previous page shows, approximately 44.4%, or \$100.1 million of the total, is for subsidies, in particular to support projects envisioned in the Ohio Expo 2050 master plan. Purchased personal services, primarily for Expo 2050 contracts, make up 26.0% of budgeted expenses or about \$58.6 million. Approximately 23.4%, or \$52.7 million of the total, is for payroll and fringe benefits. The remaining 6.1%, approximately \$13.8 million, is for supplies, maintenance, and other costs.

Broken down by source, 84.4% of EXP’s funding comes from the proposed cash transfer of up to \$190.0 million of FY 2023 GRF surplus revenue to the new EXPO 2050 Fund (Fund 5ZNO). Receipts collected from the State Fair and other events held at the state fairgrounds make up approximately 15.3% of all EXP’s funding. The remaining 0.3% of funding comes from the GRF and is used to cover part of the cost of holding the Junior Fair which is held alongside the annual State Fair. With the level of funding provided under the executive recommended budget, EXP will be able to maintain staffing, produce the State Fair, and host the numerous other events held onsite throughout the year.

Junior Fair Subsidy (ALI 723403)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
GRF ALI 723403, Junior Fair Subsidy					
\$325,097	\$194,039	\$350,643	\$363,750	\$380,000	\$380,000
% change	-40.3%	80.7%	3.7%	4.5%	0.0%

This ALI 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 Junior Fair portion of the 2022 Ohio State Fair cost approximately \$750,000 to host. Based on the cost of the Junior Fair programming in CY 2022, this GRF subsidy would cover a little under 50.6% of this total cost in FY 2024 and FY 2025. Any costs that exceed this amount are paid from the Ohio Expositions Fund (Fund 5060).

Ohio State Fair Harness Racing (ALI 723602)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 4N20 ALI 723602, Ohio State Fair Harness Racing					
\$323,648	\$315,819	\$287,405	\$325,000	\$350,000	\$350,000
% change	-2.4%	-9.0%	13.1%	7.7%	0.0%

This ALI 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 account 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 provides \$350,000 in each fiscal year of the biennium for cash awards. Overall, Fund 4N20 collected approximately \$317,000 in receipts and disbursed approximately \$287,000 in awards in FY 2022.

Operating Expenses (ALI 723601)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 5060 ALI 723601, Operating Expenses					
\$16,359,250	\$3,979,497	\$7,109,403	\$15,953,148	\$16,515,000	\$16,626,000
% change	-75.7%	78.7%	124.4%	3.5%	0.7%

This ALI is used to pay all expenses related to operations at the Expo Center. Also, any additional expenses for the Junior Fair portion of the Ohio State Fair in excess of the GRF subsidy for that purpose is absorbed by funding provided in this ALI. The Ohio Expositions Fund (Fund 5060) is comprised of fees charged during the annual State Fair and nonfair events. Income is derived from space rentals, exhibit entries, admissions, parking, and other such sources. Nonfair revenues consist of charges for building rentals, parking, and concession income from the 150 or so events held at the Expo Center throughout the year. Overall, CY 2022 receipts from the State Fair and nonfair events totaled approximately \$15.8 million. Of that amount, approximately \$9.8 million (62.0%) was from the 2022 State Fair.

Receipts from the State Fair and nonfair events in CY 2022 increased from amounts collected in CY 2020 and CY 2021, during which events were curtailed as a result of the COVID-19 pandemic. State Fair and nonfair receipts deposited into Fund 5060 amounted to \$2.5 million in CY 2020 and \$6.5 million in CY 2021. To help offset the decrease in revenue deposited into Fund 5060 and to support the Commission's operating expenses, in particular staffing expenses,

the Controlling Board appropriated \$5.0 million in the FY 2022-FY 2023 biennium under State Fiscal Recovery Fund (Fund 5CV3) ALI 723411, Expositions Commission – ARPA Recovery in FY 2023. Fund 5CV3 consists of funds the state received under the federal American Rescue Plan Act (ARPA).

Ongoing uncodified law included in the executive recommended budget allows the EXP General Manager, in consultation with the Office of Budget and Management (OBM) Director, to submit a request to the Controlling Board to use available amounts in the State Fair Reserve Fund (Fund 6400) to supplement funding if revenues from the 2023 or 2024 Ohio State Fair are unexpectedly low. Due to the cancelation of the 2020 Ohio State Fair, the Commission exercised this authority in July 2020, and the Controlling Board authorized the transfer of \$1.0 million cash from Fund 6400 to Fund 5060. Consequently, there is currently no cash in Fund 6400. Conversely, the OBM Director, in consultation with the EXP General Manager, may determine that Fund 5060 has a cash balance in excess of EXP’s anticipated operating costs of the Exposition Commission for the fiscal year, in which case that excess cash may be transferred to Fund 6400.

Grounds Maintenance and Repairs (ALI 723604)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 5060 ALI 723604, Grounds Maintenance and Repairs					
\$299,997	\$299,702	\$300,000	\$300,000	\$300,000	\$300,000
% change	-0.1%	0.1%	0.0%	0.0%	0.0%

This ALI provides supplementary support for maintenance and repairs on the grounds of the Expo Center. It is also funded by receipts from the State Fair and other events that are deposited into Fund 5060. Upgrades to the fairgrounds are undertaken with the goal of making the property more attractive to potential customers and increasing the number of nonfair events held at the fairgrounds. Any such costs that exceed the amount recommended would be paid from appropriation item 723601, Operating Expenses.

In addition to this funding, EXP typically receives capital funding for building and grounds renovations, upgrades, and new construction. H.B. 687, the capital budget act for the FY 2023-FY 2024 capital biennium, provides the Commission with \$20.0 million to support the recommendations of the Ohio Expo 2050 Task Force master plan described in more detail below under “**EXPO 2050 (ALI 723605)**.” A further \$1.5 million was provided for emergency repairs and major equipment purchases.

EXPO 2050 (ALI 723605)

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
Fund 5ZNO ALI 723605, EXPO 2050					
\$0	\$0	\$0	\$0	\$95,000,000	\$95,000,000
% change	0.0%	0.0%	0.0%	N/A	0.0%

This ALI will support the Ohio Expo 2050 master plan for the Expo Center and State Fair established by the Ohio Expo 2050 Task Force. The task force was created in CY 2019 and revealed the master plan in December 2022. The master plan includes a new overall organization of the Expo Center property, including the renovation, modernization, or demolition of several buildings; the addition of new exhibition facilities, parking garages, and other areas to enhance guest experience; and improved access between the Expo Center and the nearby Ohio History Connection. Funding for this ALI is supported by a cash transfer of up to \$190.0 million in FY 2023 GRF surplus revenue and deposited into the EXPO 2050 Fund (Fund 5ZN0).

Other funding support for Ohio Expo 2050 master plan

In addition to the above ALI, the 134th General Assembly appropriated money to support the initial stage of the Ohio Expo 2050 master plan development under the following: (1) H.B. 687 of the 134th General Assembly appropriated \$20.0 million in the FY 2023-FY 2024 capital biennium, and (2) H.B. 45 of the 134th General Assembly appropriated \$50.0 million under State Fiscal Recovery Fund (Fund 5CV3) ALI 723411, Expositions Commission – ARPA Recovery in FY 2023. On January 23, 2023, the Controlling Board approved the first contract to start the design phase of the master plan. The approved contract supports the designing of underground utilities and infrastructure needed for the construction of new buildings on the Expo Center grounds. This approved request was supported by capital funding in H.B. 687.

Results from the State Fair and other events in 2022

EXP reported a profit of over \$423,000 from the 2022 State Fair. Overall revenue from the event, held July 27 through August 7, was \$9.8 million, of which \$7.5 million (76.5%) was derived from admission fees, ticket sales for entertainment and attractions, and exhibit space rental. The remaining \$2.3 million (23.5%) came from event sponsorships, parking and camping fees, and other sources such as concession and livestock auction revenues. Expenses totaled \$9.4 million, with payroll, entertainment and personal contracts, and fairground maintenance accounting for \$6.1 million (64.9%) of that amount. The remaining \$3.3 million (35.1%) was spent on advertising, fairground maintenance, supplies, utilities, and other items. Over 886,000 visitors attended the 2022 State Fair. Record-setting attendance of over 982,000 visitors was set in 2015.

Receipts from shows and events other than the State Fair are also an important source of income for the Commission. In CY 2022, these 145 events generated approximately \$6.0 million in operating revenue, representing 38.0% of total receipts for the year. EXP hosts five of Columbus' top ten events as determined by attendance. These events include the Home and Garden Show, the Arnold Fitness Expo, Equine Affaire, Good Guys Car Show, and the Quarter Horse Congress.