

KANSAS STATE FAIR

Expenditure	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:					
State General Fund	\$ 309,566	\$ 505,950	\$ 285,950	\$ 483,550	\$ 263,550
Other Funds	5,065,859	5,181,393	5,181,393	5,352,771	5,352,771
TOTAL	\$ 5,375,425	\$ 5,687,343	\$ 5,467,343	\$ 5,836,321	\$ 5,616,321
Capital Improvements:					
State General Fund	\$ 535,000	\$ 560,000	\$ 560,000	\$ 2,388,793	\$ 585,000
Other Funds	0	340,000	340,000	636,000	636,000
TOTAL	\$ 535,000	\$ 900,000	\$ 900,000	\$ 3,024,793	\$ 1,221,000
GRAND TOTAL	\$ 5,910,425	\$ 6,587,343	\$ 6,367,343	\$ 8,861,114	\$ 6,837,321
Percentage Change:					
Operating Expenditures					
State General Fund	25.0 %	63.4 %	(7.6) %	(4.4) %	(7.8) %
All Funds	(7.7)	5.8	1.7	2.6	2.7
FTE Positions	25.0	25.0	25.0	25.0	25.0
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	25.0	25.0	25.0	25.0	25.0

AGENCY OVERVIEW

The mission of the Kansas State Fair is to promote and showcase Kansas agriculture, industry, and culture; create opportunity for commercial activity; and provide an educational and entertaining experience that is the pride of all Kansans. The annual State Fair is organized and administered by the 13-member State Fair Board. The State Fairgrounds are located in Reno County, within the City of Hutchinson. The Fairgrounds consist of approximately 280 acres, with 75 buildings and nearly 24 acres under roof. The State Fair starts on the Friday following Labor Day in September and runs for 10 days. This makes the State Fair the state's largest single event, attracting more than 350,000 people, plus an estimated 200,000 people to the nearly 400 non-fair events held throughout the year on the Fairgrounds. The agency operates with 25.0 full-time employees, 551 part-time and temporary employees in addition to contract plumbers and electricians, and inmate labor from the Hutchinson Correctional Facility.

MAJOR ISSUES FROM PRIOR YEARS

The **2003 and 2004 Legislatures** suspended the statutory transfer from the State General Fund to the State Fair Capital Improvements Fund for FY 2004 and FY 2005, respectively.

The **2006 Legislature** added \$2,375,727 from the State General Fund in FY 2007 for the construction of a sheep and swine barn.

The **2007 Legislature** added funding from the Economic Development Initiatives Fund (EDIF) in FY 2008 for marketing and promotion of the State Fair (\$50,000), an economic impact and demographic study of the State Fair and all non-fair activities taking place on the State Fairgrounds (\$40,000), and competitive exhibit premiums (\$20,000). In addition, the Legislature added \$25,000 from the State General Fund to add electrical sub-metering equipment in order to monitor electrical use at individual buildings on the State Fairgrounds.

The **2008 Legislature** added funding from the EDIF in FY 2009 for marketing and promotion of the State Fair (\$50,000) and competitive exhibit premiums (\$20,000). In addition, the Legislature added \$20,792, all from the State Fair Fee Fund, to increase part-time seasonal employees' wages. The Legislature also converted 1.0 non-FTE position to a 1.0 FTE position.

The **2009 Legislature** did not add funding from the EDIF in FY 2010 for marketing and promotion of the State Fair or for competitive exhibit premiums. In addition, the Legislature suspended the statutory transfer from the State General Fund to the State Fair Capital Improvements Fund in FY 2010.

The **2010 Legislature** deleted the transfer of \$300,000 from the State General Fund to the State Fair Capital Improvements Fund for FY 2010 and FY 2011. The Legislature also transferred an additional \$50,000 from the State Fair Fee Fund to the State Fair Capital Improvements Fund for FY 2011 and to make the transfer on or before March 1, 2011. The State Fair Capital Improvements Fund is used to pay the agency's debt service payments and to fund general maintenance and repair at the State Fairgrounds in Hutchinson.

The **2011 Legislature** added 1.0 FTE position and \$39,749, all from special revenue funds, for an administrative assistant position in the Competitive Exhibits department and also added \$376,950, all from special revenue funds, for roof replacement projects. The Legislature also made reductions totaling \$23,130, all from special revenue funds, for cell phone expenditures, information technology expenditures, a death and disability moratorium, and an across the board reduction.

The **2012 Legislature** added \$25,000 all from the Economic Development Initiatives Fund, for FY 2013, for enhanced marketing of the State Fair's Centennial celebration which was subsequently vetoed by the Governor. The Legislature also approved adding \$11,182,256, all from the Expanded Lottery and Revenue Fund, for increasing debt service payments to call the bonds for debt service for FY 2013, which will reduce future payments for future debt service.

The **2013 Legislature** added \$250,000, all from the State General Fund, for the state's statutorily required match to the State Fair Capital Improvements Fund for FY 2014. The match was not to be made for FY 2015.

The **2014 Legislature** added \$400,000, all from the State Fair Capital Improvements Fund, for capital improvement projects.

The **2015 Legislature** transferred \$100,000 in both FY 2016 and FY 2017, all from the State General Fund, to the State Fair Capital Improvements Fund, to match a portion of the agency's contribution.

BUDGET SUMMARY AND KEY POINTS

FY 2016 – Current Year. The **agency** requests a revised estimate for operating expenditures of \$5.7 million, including \$505,950 from the State General Fund, which is an increase of \$556,570, or 10.8 percent all funds and \$220,000, or 76.9 percent State General Fund, above the approved amount. The State General Fund increase is due to enhancement requests for increased utility expenditures, marketing and promotion, and increased premiums to encourage increased participation in showcasing Kansas agriculture. The remaining increases are attributable to Old-Age, Survivors, and Disability Insurance (OASDI) and retirement benefits due to the retirement of the manager, computers, increased utility consumption, equipment rental, and commodities.

The agency also requests \$900,000 for capital improvement expenditures, including \$560,000 from the State General Fund which is no change from the approved amount.

The **Governor** recommends FY 2016 operating expenditures of \$5.5 million, including \$560,000 from the State General Fund. This is a decrease of \$220,000, or 3.8 percent, below the agency request, all from the State General Fund. The decrease is attributable to not recommending the three supplemental requests for increased utility expenditures, marketing and promotion, and increasing premiums for showcasing Kansas agriculture.

The Governor concurs with the agency request for capital improvement expenditures in FY 2016.

FY 2017 – Budget Year. The **agency** requests a revised estimate for operating expenditures of \$5.8 million, including \$483,550 from the State General Fund, an increase of \$669,205, or 13.0 percent, and a State General Fund increase of \$220,000, or 83.5 percent, above the approved amount. The State General Fund increase is due to enhancement requests for increased utility expenditures, marketing and promotion, increased premiums to encourage increased participation in showcasing Kansas agriculture, and a transfer from the State General Fund to the State Fair Capital Improvements Fund.

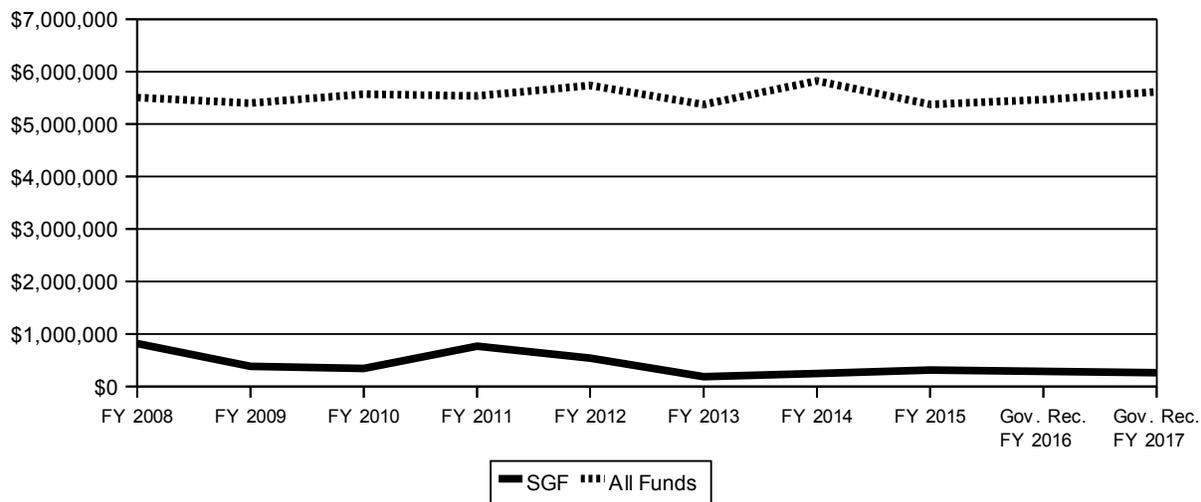
The agency also requests \$3.0 million for capital improvement expenditures, an increase of \$1.8 million, or 147.7 percent, above the approved amount.

The **Governor** recommends FY 2017 operating expenditures of \$5.6 million, including \$263,550 from the State General Fund. This is a decrease of \$220,000, or 3.8 percent, below the agency request, all from the State General Fund. The decrease is attributable to not recommending the three supplemental requests for increased utility expenditures, marketing and promotion, and increasing premiums for showcasing Kansas agriculture.

The Governor also recommends FY 2017 capital improvement expenditures of \$1.2 million, a decrease of \$1.8 million, or 59.6 percent, below the agency request, all from the State General Fund. The decrease is attributable to not recommending the supplemental request for a transfer from the State General Fund to the State Fair Capital Improvements Fund to account for past transfers that did not occur.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2008 – FY 2017



OPERATING EXPENDITURES FY 2008 – FY 2017

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2008	\$ 814,993	(0.6)%	\$ 5,505,480	0.0 %	24.0
2009	383,980	(52.9)	5,400,457	(1.9)	24.0
2010	341,861	(11.0)	5,570,115	3.1	24.0
2011	764,711	123.7	5,537,889	(0.6)	24.0
2012	540,422	(29.3)	5,736,223	3.6	25.0
2013	182,165	(66.3)	5,374,945	(6.3)	25.0
2014	247,751	36.0	5,824,490	8.4	25.0
2015	309,566	25.0	5,375,425	(7.7)	25.0
2016 Gov. Rec.	285,950	(7.6)	5,467,343	1.7	25.0
2017 Gov. Rec.	263,550	(7.8)	5,616,321	2.7	25.0
Ten-Year Change Dollars/Percent	\$ (551,443)	(67.7)%	\$ 110,841	2.0 %	1.0

Summary of Operating Budget FY 2015 - FY 2017

	Actual 2015	Agency Estimate				Governor's Recommendation			
		Estimate FY 2016	Estimate FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:									
Administration	\$ 3,361,483	\$ 3,776,132	\$ 3,805,827	\$ 29,695	0.8 %	\$ 3,556,132	\$ 3,585,827	\$ 29,695	0.8 %
Facilities Management	1,704,376	1,625,261	1,766,944	141,683	8.7	1,625,261	1,766,944	141,683	8.7
Debt Service	309,566	285,950	263,550	(22,400)	(7.8)	285,950	263,550	(22,400)	(7.8)
TOTAL	\$ 5,375,425	\$ 5,687,343	\$ 5,836,321	\$ 148,978	2.6 %	\$ 5,467,343	\$ 5,616,321	\$ 148,978	2.7 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 1,778,704	\$ 1,903,223	\$ 1,975,001	\$ 71,778	3.8 %	\$ 1,903,223	\$ 1,975,001	\$ 71,778	3.8 %
Contractual Services	2,703,641	2,963,055	3,063,055	100,000	3.4	2,743,055	2,843,055	100,000	3.6
Commodities	557,419	465,115	465,115	0	0.0	465,115	465,115	0	0.0
Capital Outlay	26,095	70,000	69,600	(400)	(0.6)	70,000	69,600	(400)	(0.6)
Debt Service	309,566	285,950	263,550	(22,400)	(7.8)	285,950	263,550	(22,400)	(7.8)
Subtotal - Operations	\$ 5,375,425	\$ 5,687,343	\$ 5,836,321	\$ 148,978	2.6 %	\$ 5,467,343	\$ 5,616,321	\$ 148,978	2.7 %
Aid to Local Units	0	0	0	0	0.0	0	0	0	0.0
Other Assistance	0	0	0	0	0.0	0	0	0	0.0
TOTAL	\$ 5,375,425	\$ 5,687,343	\$ 5,836,321	\$ 148,978	2.6 %	\$ 5,467,343	\$ 5,616,321	\$ 148,978	2.7 %
Financing:									
State General Fund	\$ 309,566	\$ 505,950	\$ 483,550	\$ (22,400)	(4.4) %	\$ 285,950	\$ 263,550	\$ (22,400)	(7.8) %
State Fair Capital Improvements Fund	319,013	0	0	0	0.0	0	0	0	0.0
State Fair Fee Fund	4,746,846	5,181,393	5,352,771	171,378	3.3	5,181,393	5,352,771	171,378	3.3
TOTAL	\$ 5,375,425	\$ 5,687,343	\$ 5,836,321	\$ 148,978	2.6 %	\$ 5,467,343	\$ 5,616,321	\$ 148,978	2.7 %

BUDGET OVERVIEW

A. FY 2016 – Current Year

Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$845,950 for the Kansas State Fair in FY 2016. No adjustments have subsequently been made to that amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2016	Agency Estimate FY 2016	Agency Change from Approved	Governor Rec. FY 2016	Governor Change from Approved
State General Fund	\$ 845,950	\$ 1,065,950	\$ 220,000	\$ 845,950	\$ 0
All Other Funds	5,184,823	5,521,393	336,570	5,521,393	336,570
TOTAL	\$ 6,030,773	\$ 6,587,343	\$ 556,570	\$ 6,367,343	\$ 336,570
FTE Positions	25.0	25.0	0.0	25.0	0.0

The **agency** requests a revised estimate for operating expenditures of \$5.7 million, including \$505,950 from the State General Fund, which is an increase of \$556,570, or 10.8 percent all funds and \$220,000, or 76.9 percent State General Fund, above the approved amount. The State General Fund increase is due to enhancement requests for increased utility expenditures, marketing and promotion, and increased premiums to encourage increased participation in showcasing Kansas agriculture. The remaining increases are attributable to OASDI and retirement benefits due to the retirement of the manager, computers, increased utility consumption, equipment rental, and commodities.

The agency also requests \$900,000 for capital improvement expenditures, including \$560,000 from the State General Fund which is no change from the approved amount.

- Salaries and Wages.** The agency requests \$1.9 million for salaries and wages in FY 2016, an increase of \$94,900, or 5.2 percent, above the approved amount. The increase is attributable to OASDI and retirement benefits due to the retirement of the general manager. Salaries and wages expenditures are utilized to support 25.0 FTE positions and approximately 550 seasonal temporary employees who are hired during the Fair.
- Contractual Services.** The agency requests \$3.0 million for contractual services expenditures in FY 2016, an increase of \$351,157, or 13.4 percent, above the approved amount. The increase is attributable to increased utility expenditures, marketing and promotion, increased premiums to encourage increased participation in showcasing Kansas agriculture, and equipment rental. Contractual services also include advertising, printing, communications, travel, and insurance.

- **Commodities.** The agency requests \$465,115 for commodities expenditures in FY 2016, an increase of \$90,513, or 24.2 percent, above the approved amount. The increase is attributable to building and grounds materials and agricultural supplies. Commodity expenditures also include office supplies.
- **Capital Outlay.** The agency requests \$70,000 for capital outlay, an increase of \$20,000, or 40.0 percent, above the approved amount. The increase is attributable to computer replacement.
- **Debt Service.** The agency requests \$285,950 for debt service, which is no change from the approved amount.

The **Governor** recommends FY 2016 operating expenditures of \$5.5 million, including \$560,000 from the State General Fund. This is a decrease of \$220,000, or 3.8 percent, below the agency request, all from the State General Fund. The decrease is attributable to not recommending the three supplemental requests for increased utility expenditures, marketing and promotion, and increasing premiums for showcasing Kansas agriculture.

The **Governor** concurs with the agency request for capital improvement expenditures in FY 2016.

Supplemental Detail

FY 2016 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Utility Rate Changes	\$ 100,000	\$ 100,000	0.0	\$ 0	\$ 0	0.0
Advertising and Marketing	100,000	100,000	0.0	0	0	0.0
Premiums for Showcasing Kansas Agriculture	20,000	20,000	0.0	0	0	0.0
TOTAL	\$ 220,000	\$ 220,000	0.0	\$ 0	\$ 0	0.0

The **agency** requests \$220,000, all from the State General Fund, in supplementals for FY 2016. The request includes the following:

- **Utility Rate Changes.** The agency requests \$100,000, all from the State General Fund, for two policy changes affecting utility costs. First, a new rate structure adopted by the Kansas Corporation Commission reclassified the State Fair as a large user, resulting in estimated increased electrical fees of \$50,000. Additionally, the City of Hutchinson has instituted a storm water retention program resulting in costs to the State Fair of \$50,000.
- **Advertising and Marketing.** The agency requests \$100,000, all from the State General Fund, for enhanced marketing and promotion of the State Fair.

- **Premiums for Showcasing Kansas Agriculture.** The agency requests \$20,000, all from the State General Fund, to increasing winning awards in order to encourage Kansans to participate in competitions that showcase Kansas agriculture.

The **Governor** does not recommend the agency's supplemental requests in FY 2016.

B. FY 2017 – Budget Year

Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$848,550 for the Kansas State Fair in FY 2017. No adjustments have subsequently been made to that amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 848,550	\$ 2,872,343	\$ 2,023,793	\$ 848,550	\$ 0
All Other Funds	5,539,566	5,988,771	449,205	5,988,771	449,205
TOTAL	\$ 6,388,116	\$ 8,861,114	\$ 2,472,998	\$ 6,837,321	\$ 449,205
FTE Positions	25.0	25.0	0.0	25.0	0.0

The **agency** requests a revised estimate for operating expenditures of \$5.8 million, including \$483,550 from the State General Fund, an increase of \$669,205, or 13.0 percent, and a State General Fund increase of \$220,000, or 83.5 percent, above the approved amount. The State General Fund increase is due to enhancement requests for increased utility expenditures, marketing and promotion, increased premiums to encourage increased participation in showcasing Kansas agriculture, and a transfer from the State General Fund to the State Fair Capital Improvements Fund.

The agency also requests \$3.0 million for capital improvement expenditures, an increase of \$1.8 million, or 147.7 percent, above the approved amount.

- **Salaries and Wages.** The agency requests \$2.0 million for salaries and wages in FY 2016, an increase of \$121,976, or 6.6 percent, above the approved amount. The increase is attributable to salary increases for full-time employees. Salaries and wages expenditures are utilized to support 25.0 FTE positions and approximately 550 seasonal temporary employees who are hired during the Fair.
- **Contractual Services.** The agency requests \$3.1 million for contractual services expenditures in FY 2016, an increase of \$437,116, or 16.6 percent, above the approved amount. The increase is attributable to increased utility expenditures, marketing and promotion, increased premiums to encourage increased participation in showcasing Kansas agriculture, and equipment rental.

Contractual services also include advertising, printing, communications, travel, and insurance.

- **Commodities.** The agency requests \$465,115 for commodities expenditures in FY 2016, an increase of \$90,513, or 24.2 percent, above the approved amount. The increase is attributable to building and grounds materials and agricultural supplies. Commodity expenditures also include office supplies.
- **Capital Outlay.** The agency requests \$69,600 for capital outlay, an increase of \$19,600, or 39.2 percent, above the approved amount. The increase is attributable to computer replacement.
- **Debt Service.** The agency requests \$263,550 for debt service, which is no change from the approved amount.

The **Governor** recommends FY 2017 operating expenditures of \$5.6 million, including \$263,550 from the State General Fund. This is a decrease of \$220,000, or 3.8 percent, below the agency request, all from the State General Fund. The decrease is attributable to not recommending the three supplemental requests for increased utility expenditures, marketing and promotion, and increasing premiums for showcasing Kansas agriculture.

The **Governor** also recommends FY 2017 capital improvement expenditures of \$1.2 million, a decrease of \$1.8 million, or 59.6 percent, below the agency request, all from the State General Fund. The decrease is attributable to not recommending the supplemental request for a transfer from the State General Fund to the State Fair Capital Improvements Fund to account for past transfers that did not occur.

Supplemental Detail

FY 2017 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Utility Rate Changes	\$ 100,000	\$ 100,000	0.0	\$ 0	\$ 0	0.0
Advertising and Marketing	100,000	100,000	0.0	0	0	0.0
Premiums for Showcasing Kansas Agriculture	20,000	20,000	0.0	0	0	0.0
TOTAL	\$ 220,000	\$ 220,000	0.0	\$ 0	\$ 0	0.0

The **agency** requests \$220,000, all from the State General Fund, in supplementals for FY 2017. The request includes the following:

- Utility Rate Changes.** The agency requests \$100,000, all from the State General Fund, for two policy changes affecting utility costs. First, a new rate structure adopted by the Kansas Corporation Commission reclassified the State Fair as a large user, resulting in estimated increased electrical fees of \$50,000. Additionally, the City of Hutchinson has instituted a storm water retention program resulting in costs to the State Fair of \$50,000.
- Advertising and Marketing.** The agency requests \$100,000, all from the State General Fund, for enhanced marketing and promotion of the State Fair.
- Premiums for Showcasing Kansas Agriculture.** The agency requests \$20,000, all from the State General Fund, to increasing winning awards in order to encourage Kansans to participate in competitions that showcase Kansas agriculture.

The **Governor** does not recommend the agency's supplemental requests for FY 2017.

Funding Sources

Funding Source	Agency Est. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	32.4 %	12.4 %
State Fair Capital Improvements Fund	7.2	9.3
State Fair Fee Fund	60.4	78.3
TOTAL	100.0 %	100.0 %

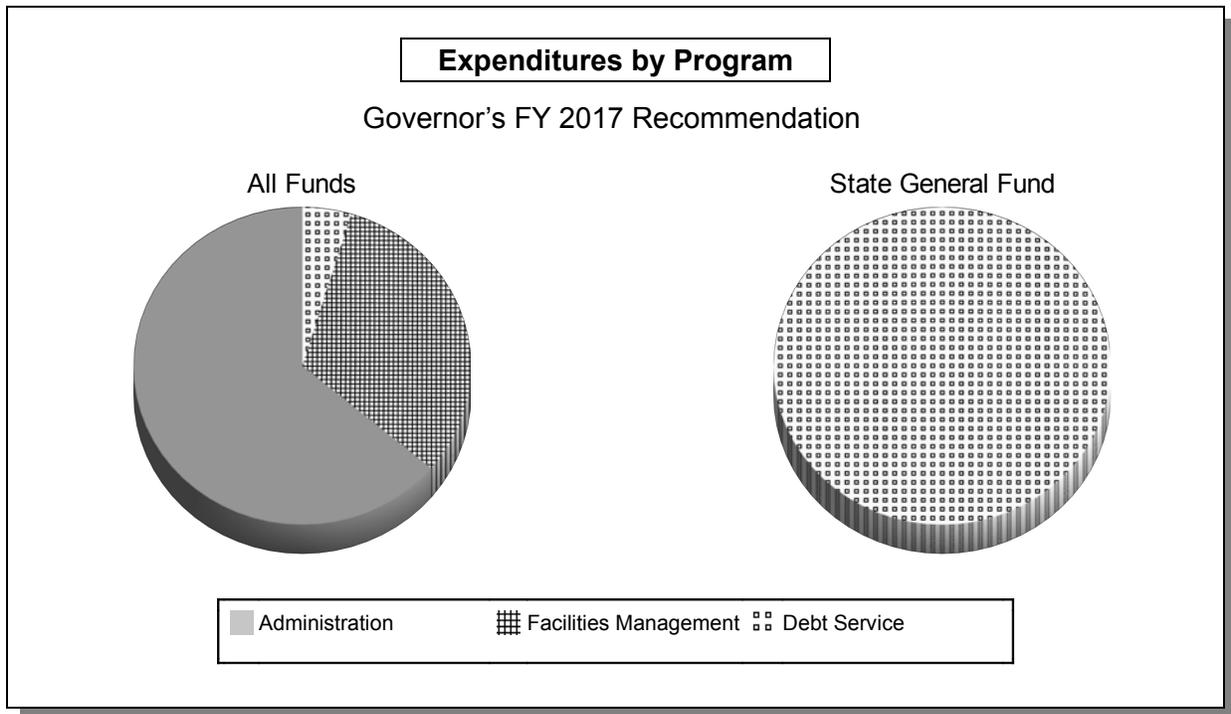
Note: Details may not add to totals due to rounding.

State Fair Fee Fund

Revenues for the agency come from both State Fair and non-fair activities on the State Fairgrounds and are deposited into the State Fair Fee Fund. Revenue sources include admission fees to the State Fair and grandstand entertainment, premium book advertising, building rentals, sales and concessions, and parking fees. The State Fair generates over 90.0 percent of the agency's total receipts. The State estimates total non-Fair use of the State Fairgrounds at nearly 400 events throughout the year.

Resource Estimate	Actual FY 2015	Agency Estimate FY 2016	Gov. Rec. FY 2016	Agency Estimate FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 369,146	\$ 666,096	\$ 666,096	\$ 350,554	\$ 350,554
Revenue	4,626,434	5,445,851	5,445,851	5,595,150	5,595,150
Transfers in	0	29,001	29,001	15,000	15,000
Total Funds Available	\$ 4,995,580	\$ 6,140,948	\$ 6,140,948	\$ 5,960,704	\$ 5,960,704
Less: Expenditures	4,746,846	5,181,393	5,181,393	5,352,771	5,352,771
Transfers Out	300,000	329,001	329,001	315,000	315,000
Off Budget Expenditures	(717,362)	280,000	280,000	280,000	280,000
Ending Balance	<u>\$ 666,096</u>	<u>\$ 350,554</u>	<u>\$ 350,554</u>	<u>\$ 12,933</u>	<u>\$ 12,933</u>
Ending Balance as Percent of Expenditures	14.0%	6.8%	6.8%	0.2%	0.2%

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Administration	\$ 3,585,827	63.8 %	\$ 0	0.0 %
Facilities Management	1,766,944	31.5	0	0.0
Debt Service	263,550	4.7	263,550	100.0
TOTAL	\$ 5,616,321	100.0 %	\$ 263,550	100.0 %

FTE POSITIONS BY PROGRAM FY 2015 – FY 2017

Program	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Administration	13.0	13.0	13.0	13.0	13.0
Facilities Management	12.0	12.0	12.0	12.0	12.0
Debt Service	0.0	0.0	0.0	0.0	0.0
TOTAL	25.0	25.0	25.0	25.0	25.0

A. Administration

The Administration program of the Kansas State Fair provides for the administration of the agency as well as the planning, marketing, and advertising of the State Fair. The Administration program also markets non-Fair use of the State Fairgrounds in Hutchinson.

ADMINISTRATION					
SUMMARY OF EXPENDITURES FY 2015 – FY 2017					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Expenditures:					
Salaries and Wages	\$ 1,157,010	\$ 1,226,605	\$ 1,226,605	\$ 1,256,700	\$ 1,256,700
Contractual Services	1,933,653	2,209,403	1,989,403	2,209,403	1,989,403
Commodities	269,825	295,124	295,124	295,124	295,124
Capital Outlay	995	45,000	45,000	44,600	44,600
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 3,361,483</u>	<u>\$ 3,776,132</u>	<u>\$ 3,556,132</u>	<u>\$ 3,805,827</u>	<u>\$ 3,585,827</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 3,361,483</u>	<u>\$ 3,776,132</u>	<u>\$ 3,556,132</u>	<u>\$ 3,805,827</u>	<u>\$ 3,585,827</u>
Financing:					
State General Fund	\$ 0	\$ 220,000	\$ 0	\$ 220,000	\$ 0
All Other Funds	3,361,483	3,556,132	3,556,132	3,585,827	3,585,827
TOTAL	<u>\$ 3,361,483</u>	<u>\$ 3,776,132</u>	<u>\$ 3,556,132</u>	<u>\$ 3,805,827</u>	<u>\$ 3,585,827</u>
FTE Positions	13.0	13.0	13.0	13.0	13.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>	<u>13.0</u>

The **agency** requests FY 2017 expenditures of \$3.8 million, including \$220,000 from the State General Fund, for the Administration program. This request is an increase of \$379,658, or 11.1 percent, all funds and an increase of \$220,000 from the State General Fund above the approved amount. The increase is attributable to supplemental requests for utility rate changes, advertising and marketing, and premiums for showcasing Kansas Agriculture.

- **Utility Rate Changes.** The agency requests \$100,000, all from the State General Fund, for two policy changes affecting utility costs. First, a new rate structure adopted by the Kansas Corporation Commission reclassified the State Fair as a large user, resulting in estimated increased electrical fees of \$50,000. Additionally, the City of Hutchinson has instituted a storm water retention program resulting in costs to the State Fair of \$50,000.
- **Advertising and Marketing.** The agency requests \$100,000, all from the State General Fund, for enhanced marketing and promotion of the State Fair.
- **Premiums for Showcasing Kansas Agriculture.** The agency requests \$20,000, all from the State General Fund, to increasing winning awards in order

to encourage Kansans to participate in competitions that showcase Kansas agriculture.

The **Governor** recommends FY 2017 expenditures for the Administration program of \$3.6 million, a decrease of \$220,000, or 3.8 percent, below the agency request, all from the State General Fund. The decrease is attributable to not recommending the three supplemental requests for increased utility expenditures, marketing and promotion, and increasing premiums for showcasing Kansas agriculture.

B. Facilities Management

The Facilities Management program, previously named the Physical Plant and Central Services program, of the Kansas State Fair works to provide convenient, safe, and attractive buildings and grounds to patrons of the State Fair and non-fair activities on the State Fairgrounds. The Maintenance program is staffed by 12.0 FTE positions, along with contract plumbers and electricians and inmate labor from the Hutchinson Correctional Facility that includes painting, cleaning, mowing, carpentry projects, and other maintenance jobs.

FACILITIES MANAGEMENT SUMMARY OF EXPENDITURES FY 2015 – FY 2017					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Expenditures:					
Salaries and Wages	\$ 621,694	\$ 676,618	\$ 676,618	\$ 718,301	\$ 718,301
Contractual Services	769,988	753,652	753,652	853,652	853,652
Commodities	287,594	169,991	169,991	169,991	169,991
Capital Outlay	25,100	25,000	25,000	25,000	25,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 1,704,376</i>	<i>\$ 1,625,261</i>	<i>\$ 1,625,261</i>	<i>\$ 1,766,944</i>	<i>\$ 1,766,944</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 1,704,376</u>	<u>\$ 1,625,261</u>	<u>\$ 1,625,261</u>	<u>\$ 1,766,944</u>	<u>\$ 1,766,944</u>
Financing:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	1,704,376	1,625,261	1,625,261	1,766,944	1,766,944
TOTAL	<u>\$ 1,704,376</u>	<u>\$ 1,625,261</u>	<u>\$ 1,625,261</u>	<u>\$ 1,766,944</u>	<u>\$ 1,766,944</u>
FTE Positions	12.0	12.0	12.0	12.0	12.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>

The **agency** requests FY 2017 expenditures of \$1.8 million, all from special revenue funds, for the Facilities Management program. This request is an increase of \$289,547, or 19.6 percent, above the approved amount. The increase is largely attributable to increased utility expenses, including electricity (an increase of \$123,135), water (\$45,960), and sewage (\$21,261).

The **Governor** concurs with the agency request for the Facilities Management program for FY 2017.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS				
Project	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Capital Maintenance and Repair	\$ 249,570	\$ 249,570	\$ 263,940	\$ 263,940
Asphalt Repairs	40,000	40,000	40,000	40,000
Master Plan Study	50,430	50,430	0	0
Bison Arena Exits	0	0	116,060	116,060
Pride of Kansas Building Roof Replacement			216,000	216,000
State Fair Capital Improvements Match	0	0	1,803,793	0
Debt Service Principal	560,000	560,000	585,000	585,000
TOTAL	\$ 900,000	\$ 900,000	\$ 3,024,793	\$ 1,221,000
Financing:				
State General Fund	\$ 560,000	\$ 560,000	\$ 2,388,793	\$ 585,000
All Other Funds	340,000	340,000	636,000	636,000
TOTAL	\$ 900,000	\$ 900,000	\$ 3,024,793	\$ 1,221,000

FY 2016 – Current Year. The agency requests a revised capital improvements estimate of \$900,000, including \$560,000 from the State General Fund, in FY 2016. This is no change from the approved amount and includes the following projects:

- **Capital Maintenance and Repair.** The agency requests \$249,570 for rehabilitation and repair of the fairgrounds. These repairs are funded by the State Fair Capital Improvements Fund to maintain the facilities in an adequate, safe, and usable condition for hosting the fair and other events.
- **Asphalt Repairs.** The agency requests \$40,000 for ongoing maintenance of roadways and asphalt areas throughout the Fairgrounds.
- **Master Plan Study.** The agency requests \$50,430 for update the Fairgrounds Master Plan. A new master plan is requested to address aspects of the Fairgrounds not addressed in the original Master Plan and to address changing needs of the facility.

The **Governor** concurs with the agency request for capital improvements in FY 2016.

FY 2017 – Budget Year. The agency requests a revised capital improvements estimate of \$3.0 million, including \$2.4 million from the State General Fund, for FY 2017. This is an increase of \$1.8 million, or 147.7 percent, all from the State General Fund, above the approved amount. The increase is attributable to a request for a transfer from the State General Fund to

the State Fair Capital Improvements Fund to account for past transfers that did not occur. The request includes the following projects:

- **Capital Maintenance and Repair.** The agency requests \$263,940 for rehabilitation and repair of the fairgrounds. These repairs are funded by the State Fair Capital Improvements Fund to maintain the facilities in an adequate, safe, and usable condition for hosting the fair and other events.
- **Asphalt Repairs.** The agency requests \$40,000 for ongoing maintenance of roadways and asphalt areas throughout the Fairgrounds.
- **Bison Arena Exits.** The agency requests \$116,060 for addressing issues with the Arena raised by the Office of the State Fire Marshal with respect to the fire alarm, sprinkler system, and exits.
- **Pride of Kansas Building Roof Replacement.** The agency requests \$216,000 for replacement of the roof on the Pride of Kansas building.

The **Governor** recommends FY 2017 capital improvements expenditures of \$1.2 million, a decrease of \$1.8 million, or 59.6 percent, all from the State General Fund, below the agency request. The decrease is attributable to not recommending a transfer from the State General Fund to the State Fair Capital Improvements Fund to account for past transfers that did not occur.

PERFORMANCE MEASURES				
Measure	Gov. Rec. for FY 2015	Actual FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Grandstand attendance	48,030	37,218	30,000	30,000
Fair week attendance	355,329	369,322	346,538	346,538
Non-fair activities: number of events	420	439	425	430
Non-fair activities: number of event days	780	939	800	850