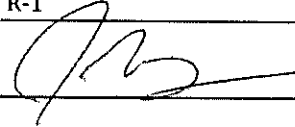
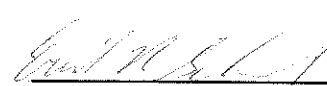


Schedule 13
Funding Request for the 2014-15 Budget Cycle

Department: Agriculture
 Request Title: 4H and FFA Program Funding
 Priority Number: R-1

Dept. Approval by:  29 Oct 2013
 Date

OSPB Approval by:  10/25/13
 Date

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
Total of All Line Items	Total	-	-	-	250,000	250,000
	FTE	-	-	-	-	-
	GF	-	-	-	250,000	250,000
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-
(5) Colorado State Fair, FFA and 4H Program Funding (New Line)	Total	-	-	-	250,000	250,000
	FTE	-	-	-	-	-
	GF	-	-	-	250,000	250,000
	GFE	-	-	-	-	-
	CF	-	-	-	-	-
	RF	-	-	-	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required? Yes: No: If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: N/A
 Reappropriated Funds Source, by Department and Line Item Name: N/A
 Approval by OIT? Yes: No: Not Required:
 Schedule 13s from Affected Departments: N/A
 Other Information:



Cost and FTE

- The Department requests \$250,000 General Fund dedicated for 4H and Future Farmers of America (FFA) programs at the Colorado State Fair in FY 2014-15 and beyond.

Current Program

- The Colorado State Fair obligates approximately \$340,000 of its budget to 4H and FFA programs.
- Expenditures in support of these programs include the operation and maintenance of facilities, judges, equipment and supplies, MC's, and sponsorships in the form of advertising and in-kind assistance such as the Junior Livestock Sale.
- A 2011 economic study of year-round operations estimates the economic impact of State Fair programs at over \$30 million, generating approximately \$1.7 million of General Fund revenue.

Problem or Opportunity

- While one of the primary functions of the Colorado State Fair is to promote and support Colorado Agriculture, including these critical programs for youth, the Colorado State Fair lacks sufficient revenue to maintain the support of these youth programs.
- Unlike many of the events and programs held at the fairgrounds, these youth programs do not generate revenue. Therefore, the Colorado State Fair has been forced to absorb the costs needed to support them.

Consequences of Problem

- The Colorado State Fair experiences an annual budget deficit of approximately \$300,000. As a result, the treasury pool serves as a backfill to cover expenses while charging the Fair interest.
- A lack of sufficient funding has resulted in the Colorado State Fair being unable to maintain the 4H and FFA facilities, resulting in fewer youth willing to attend and stay at the fairgrounds.
- If the issue remains unresolved, the program will continue to degrade, making it very difficult for the Colorado State Fair to continue to support these programs within its current budget.

Proposed Solution

- The dedicated \$250,000 General Fund for youth programs will provide the following key benefits: (1) maintenance and support of 4H and FFA programs, ensuring participation of 4H and FFA youth and success of the Junior Livestock Sale; (2) enhancement of the financial sustainability of the State Fair, and (3) provide transparency to the budget to directly reflect the actual cost of the programs.



COLORADO

Department of Agriculture

John W. Hickenlooper
Governor

John Salazar
Commissioner

FY 2014-15 Funding Request | November 1, 2013

Department Priority: R-1
Request Detail: 4H and FFA Program Funding

Summary of Incremental Funding Change for FY 2014-15	Total Funds	General Fund
4H and FFA Program Funding	\$250,000	\$250,000

Problem or Opportunity:

The Department of Agriculture requests \$250,000 General Fund for the Colorado State Fair to support 4H and Future Farmers of America (FFA) programs in FY 2014-15 and beyond. With this funding, and private support from the Colorado State Fair Foundation, the Colorado State Fair seeks to eliminate its cash-deficit that requires it to borrow from the Treasury pool. The Department requests that this funding be authorized in a new line item in order to provide visibility and accountability.

Cash Deficit from 4H and FFA Youth Programs

The Colorado State Fair averages an annual cash deficit of approximately \$300,000, largely due to support for 4H and FFA programs which do not bring in revenue to the Fair. Expenditures in support of these programs include operating and maintaining facilities, paying for judges, equipment and supplies, MC's, and sponsorships in the form of advertising and in-kind assistance such as the Junior Livestock Sale. As a result, the Treasury pool serves as a backfill to cover expenses while charging the State Fair interest.

Aging facilities and increased personnel costs have exasperated an already well-known cash deficit. The annual state fair event earns an average of \$500,000 in revenue in addition to the multitude of events and year-round rentals hosted by the fairgrounds. These revenues are insufficient to cover the year-round operations of the fairgrounds, resulting in the current cash-deficit.

Promotion and support of youth and agriculture are a key goal of the Colorado State Fair. Charging additional expenses to the 4H and FFA youth programs would result in increased costs to participants of these programs and would have the unintended consequence of deterring youth from participating. This would conflict with the goals and objectives of the Colorado State Fair.

Efforts to Increase Sustainability at the Colorado State Fair

In response to the continuing cash-flow problems, the Colorado State Fair Foundation was established in 2011 to raise gifts, grants, and donations for 4H and FFA programs, thus easing the burden on the Colorado

State Fair attributable to these programs. The Colorado State Fair Foundation raised approximately \$60,000 in 2013, in addition to many in-kind contributions, and it funded the refurbishment of the 4H women's restrooms and showers, with plans to complete work on the men's facilities in 2014. The goal for the Foundation in FY 2013-14 is to raise an additional \$100,000. Coupled with this request, the Fair would be able to offset over \$300,000 of expenditures related to 4H and FFA programs and further reduce, if not eliminate, the negative cash-flow position.

In an effort to increase revenues, the State Fair moved to a cashless system and changed its ticketing system at the gates. However, the revenue increases may not be enough to solidify the cash position of the Fair, maintain aging facilities, and support 4H and FFA programs since these programs are non-revenue generating.

Economic Benefit of the Colorado State Fair Outweighs Cost

It is important to note that, according to an economic survey completed in 2011, the Colorado State Fair, generates approximately \$1.7M in General Fund revenues and \$30 million in economic impacts from its annual event and year-round operations. Therefore, this request is asking for the State Fair to retain a small portion of the General Fund revenues generated and invest those revenues in 4H and FFA programs.

Proposed Solution:

The Department requests \$250,000 General Fund for 4H and FFA youth programs at the Colorado State Fair. The Department requests that this funding be authorized in a separate line item in order to provide visibility and accountability for the Department, the Governor's Office, and the Legislature. With \$100,000 financial support anticipated from the State Fair Foundation annually starting in FY 2013-14, this request will provide sufficient funding for the Colorado State Fair to support these programs in a transparent manner while reducing the cash-flow deficit experienced during the course of the fiscal year.

Anticipated Outcomes:

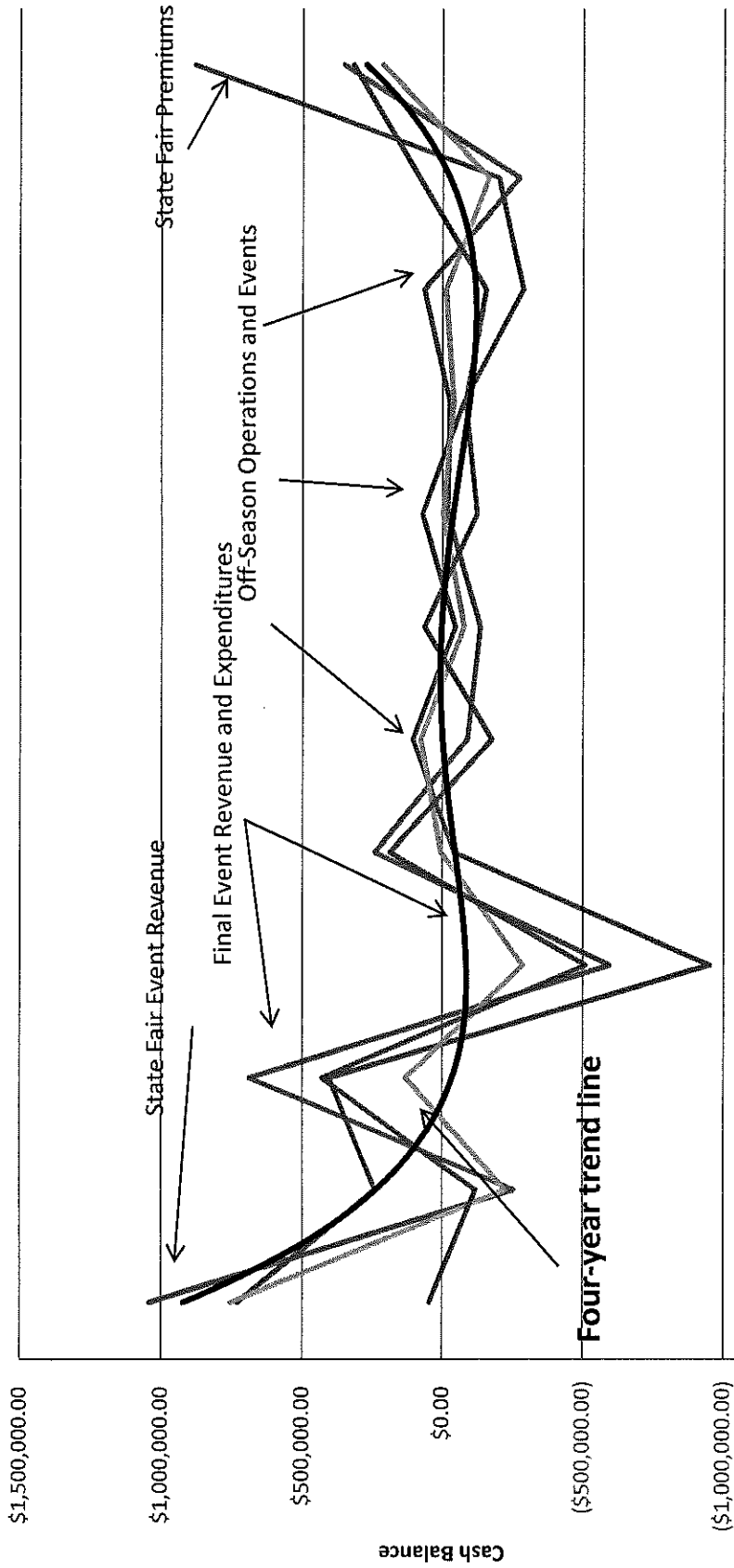
With the additional funding in this request, the Fair can use the anticipated revenue increase from the ticketing and cashless system to adequately maintain the grounds while supporting these programs, without running a cash deficit. In addition, this funding request provides more transparency for the Colorado State Fair budget, eliminating the need for borrowing from the Treasury pool.

Assumptions and Calculations:

The State Fair estimates that 4H and FFA program expenses range between \$320,000 and \$350,000 a year. The Department, in coordination with the Governor's Office, has set a goal of \$100,000 of contributions from the State Fair Foundation, which supported the Fair with \$60,000 in FY 2012-13.

Appendix A
Four-year Cash Flow

Cash Balance History 2010-13



	July	August	September	October	November	December	January	February	March	April	May	June
2010	\$1,043,41	(\$255,541)	\$685,145	(\$594,778)	\$240,706	(\$87,977)	(\$133,849)	(\$17,665)	(\$25,507)	\$65,473.8	(\$272,821)	\$352,454.
2011	\$728,312.	\$239,924.	\$405,093.	(\$952,167)	(\$41,181.	\$105,227.	(\$45,288.	\$72,003.9	(\$75,617.	(\$287,491)	(\$199,408)	\$880,331.
2012	\$752,172.	(\$223,711)	\$130,587.	(\$286,134)	\$5,739.44	\$76,642.3	(\$75,411.	(\$1,337.4	(\$38,570.	(\$11,190.	(\$163,569)	\$212,360.
2013	\$46,913.7	(\$117,755)	\$430,092.	(\$510,104)	\$187,362.	(\$175,508)	\$64,136.8	(\$121,909)	(\$81,985.	(\$153,223)	\$82,725.1	\$318,618.