

DEPARTMENT OF FINANCE
SACRAMENTO

November 13, 1975

Honorable Pauline L. Davis, Chairman
Joint Committee on Fairs Allocation
and Classification
State Capitol, Room 4148
Sacramento, California 95814

Dear Mrs. Davis:

The review team assigned to the Fairs and Exposition study have conducted preliminary interviews, researched the relevant legislation and developed a work plan which will guide their efforts during the remainder of the study.

The work plan attempts to encompass the concerns of the Joint Committee on Fairs Allocation and Classification as expressed in your letter of August 15, 1975, as well as concerns expressed by committee staff and units of the Executive Branch of State Government.

Enclosed is a copy of the work plan for your information and review. Mr. Edwin W. Beach, Assistant Director of Finance, has requested that I discuss the plan with you personally at your earliest convenience. I feel that it is extremely important that we have a mutual understanding of the goals and objectives of the project in order to maximize its usefulness.

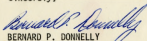
The staff assigned to the project are as follows:

Albert Tweltridge, Project Manager
Walter Schaff
Oscar Arroyo
Kenneth Binning

The review team will be working under the general supervision of P. Richard Seevers.

I am looking forward to discussing the work plan with you in the near future.

Sincerely,


BERNARD P. DONNELLY
Chief
Program Evaluation Unit

BPD:bml

Enclosure

22730

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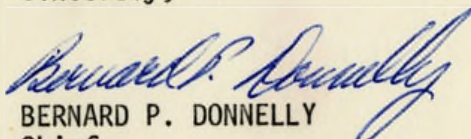
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FAIRS AND EXPOSITIONS

SCOPE

Issue

What should be the role of State Government, including the Division of Fairs and Expositions in administering and funding district and county fairs?

Background

The Division of Fairs and Expositions in the Department of Food and Agriculture is responsible for apportioning funds to California's 79 district (53), county (24) and citrus fruit (2) fairs and expositions for purposes of fair operations and capital outlay (Business and Professional Code Section 19622-19629). The 1975-76 Budget has apportioned \$7,792,000 (General Fund \$113,000 and Fair and Exposition Fund \$7,679,000) for this use. The Budget has designated \$805,000 of the total fund as special appropriations to one county fair, two district fairs and the two citrus fruit fairs. In addition to apportioning the funds, the Division provides assistance to fair managers and exhibitions, prepares the Fair Administrative Manual, and processes approximately 1,500 fair contracts per year.

The Supplemental Report of the Joint Legislative Budget Committee regarding the Budget Act of 1975 recommended that "the Department of Finance issue a comprehensive report covering both the performance and fiscal aspects of the district and county fairs, including specific recommendations where applicable regarding the current structure of administration and review."

We will attempt to achieve the objectives outlined on the following pages. However, availability of data, and/or cost or time constraints may preclude achievement of all objectives.

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Objectives

- I. Develop Alternative roles for the State in terms of policymaking and planning for and controlling of local fairs.
 - A. Determine the current role of the Division of Fairs and Expositions; extent of involvement in fair operations, what standards, guidelines and controls are in effect, and what data is used in the decision-making process in the following areas:
 - . Budgeting
 - . Auditing
 - . Contracting
 - . Purchasing
 - . Position and salary controls
 - . Classification of fairs: criteria and exceptions to those criteria
 - . Premiums
 - . Exhibits
 - . Management assistance: ability to identify fair problems; usefulness and adequacy of fair administrative manual
 - B. Determine the role and functions of the Fair Budget Review Board.
 - . Is the function of the board an appeal body or a decision-making instrument or?
 - . Consider the potential conflict with local fair boards (local autonomy).
 - . Review composition of Board (conflict of interest).
 - C. Determine the role of fair managers and fair board of directors and how they interface with the Division of Fairs and Expositions.
 - . What are the fair managers' responsibilities, both on and off season?
 - . What policies and procedures do boards impose on managers?
 - . What management information systems do fairs maintain?
 - . How do boards become involved in fair operations?
 - . Determine perceptions of managers and board presidents of what the Division's role should be.

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- . Give consideration to accountability versus local autonomy.
- . How have fairs been effected as a result of state involvement?
- D. Determine interfaces between the Division of Fairs and local fairs with other state agencies.
 - . How does O.A.C. become involved in the capital outlay contracting process?
 - . How does Finance become involved in general budget administration? (delegation letter)
 - . How does General Services become involved in fair purchasing and other activities such as land acquisition?
 - . How does the Personnel Board become involved in fair staffing?
- E. Determine the role of Western Fairs Association ✓
 - . What services are provided to the fairs by the association? ✓
 - . How are dues determined/used (Californians for Fairs)? ✓
- F. Determine the role/involvement/perceptions concerning fairs by local interest groups, e.g., FFA, 4-H, Grange, taxpayers associations, etc.
- G. Develop alternative organizational placements in State Government, giving consideration to the Blue Ribbon Committee findings, the purpose/benefit of fairs, and the political involvement in the decision making process. ✓

II. Review Fair Funding Mechanisms

- A. What are the potential sources of locally generated revenues?
 - . Determine feasibility of local matching funds.
 - . Parking fees.
 - . Exhibit fees/entry fees.
 - . Interim use versus commercial uses--appropriateness of rates charged.
 - . Limitations/restrictions/feasibility of fairs borrowing money.

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- . Types of arrangements with and control over revenues received from concessionaires.
 - . Determine disposition of profits and identify alternative uses of same.
 - . Determine amount, purpose, and uses of reserve funds and develop alternatives, e.g., consolidate into a statewide reserve or use for capital outlay purposes.
- B. Review criteria for disposition of total horse racing betting receipts and license fees.
- C. Determine items to be supported by the State, if any.
- . Are certain functions self-sufficient, e.g., horse racing, rodeos, and concessionaires? Should more functions be self sufficient?
 - . Consider community acceptance or public service functions versus revenue producing capability of fairs.
- D. Determine why some fairs receive special appropriations and appropriateness of exception from budget review by these fairs.
- E. Why are DAA's perceived as being separate local entities rather than as state agencies like State Parks?
- F. Review and develop criteria for the allocation of funds to fairs.
- G. Review the capital outlay appropriation and decision making process.
- . What are cost estimates based on?
 - . What criteria are used to approve/disapprove new proposals? Are priorities used? Bidding?
 - . Does the timing of payments to fairs cause cash flow problems?
 - . Do fairs submit incomplete proposals in order to receive funds?
 - . What are the differences between the fair capital outlay process and the "normal" capital outlay process?
 - . Consider whether to fund "fair" projects or interim use projects or projects that meet community needs.
 - . Consider the need for new construction as opposed to deferred maintenance or facelifting.

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III. Determine the purpose and benefit of fairs.

- A. What are the goals, objectives and purposes of fairs (program)?
Are there statutory limitations which restrict fairs? What is the "output" of fairs? What does it achieve? Does this vary from fair to fair or area to area?
- B. What does a fair try to respond to? Do they survey local wants/needs/desires? Do DAA's respond to the community or to the State? How well does a fair fulfill its role in/to the community/State?
- C. Who are the beneficiaries of fairs? Are they local? Regional? Statewide?
- D. What is the value of fairs? (Educational, recreational, entertainment, etc.)
- E. What makes a fair unique?
- F. Determine differences between DAA's and County Fairs. Why have both types? Are procedures, controls, funding et al different? Why were district fairs created?
- G. Who attends fairs and why?
- H. Who exhibits at fairs?
- I. What are the trends in fairs--attendance, type of exhibits, number of exhibits, revenues, expenditures?

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Methodology

I. Review of Relevant Documents

- A. Governor's 1975-76 Budget.
- B. Legislative Budget Analysis 1975-76
- C. Business and Professions Code and Agricultural Code
- D. Organizations with available reports
 - 1.) Commission on California State Government Organization and Economy
 - 2.) Joint Legislative Committee on Fair Allocation and Classification
 - 3.) Other public and private sources

II. Interviews State Agencies

- A. Division of Fairs and Expositions, Department of Food and Agriculture
- B. Agricultural Budget Unit, Department of Finance
- C. Joint Legislative Committee on Fairs Allocation and Classification
- D. Office of Architecture and Construction
- E. Department of General Services
- F. State Personnel Board
- G. Blue Ribbon Committee for placement in State Government
- H. Horse Racing Commission
- I. Agriculture and Services Agency

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III. Field visits with district, county and citrus fruit fairs and expositions

- A. Interview 25 fair and exposition managers and contact respective Boards of Directors
- B. Conduct 1 to 3 group interviews with fair managers

IV. Contact Interest Groups

- A. Western Fairs Association (Californians for Fairs), and Security Pacific National Bank ✓
- B. 4-H Club Headquarters
- C. Future Farmers of America
- D. Grange
- E. Other interest groups such as livestock associations, garden clubs, California Taxpayers Association, etc.

V. Data Collection

- A. Review of available information within Division of Fairs and Expositions
- B. Data collected during fair visit
- C. Review of report published by Security Pacific National Bank for Western Fairs Association
- D. Develop statewide data through the use of a "field" survey

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	October	November	December	January	February
Scope project	<u>Al/Walt</u>				
Determine role of fair managers and boards		<u>Al/Walt/Oscar</u>			
Determine role of fair budget review board			<u>Oscar/Walt</u>		
Determine interfaces			<u>Al</u>		
O.A.C.			<u>Al/Ken</u>		
Finance			<u>Oscar</u>		
General Services			<u>Oscar</u>		
Personnel Board			<u>Walt</u>		
Local interest groups			<u>Al/Walt</u>		
Western Fairs					
Organization			<u>Al/Walt/Oscar/Ken</u>		
Funding		<u>Ken</u>			
Purpose/Benefit		<u>Al/Walt/Oscar/Ken</u>			
Prepare Draft				<u>Al/Walt/Oscar/Ken</u>	
Final Report					<u>Al</u>

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District Agricultural Association Fairs

<u>District</u>	<u>Name</u>
4	Sonoma-Marin Fair, Petaluma
7	Monterey County Fair, Monterey
18	Eastern Sierra Tri-County Fair, Bishop
21	Fresno District Fair, Fresno
22	Southern California Exposition, Del Mar
27	Shasta District Fair, Anderson
34	Modoc District Fair, Cedarville
37	Santa Barbara County Fair, Santa Maria
39	Calaveras County Fair, Angel's Camp
41	Del Norte County Fair, Crescent City
45	California Mid-Winter Fair, Imperial
46	Farmer's Fair of Riverside County, Hemet
50	Antelope Valley Fair & Alfalfa Festival, Lancaster
52	52nd District Fair, Sacramento

County Fairs

<u>County</u>	<u>Name</u>
El Dorado	Gold Discovery Fair, Placerville
Humboldt	Humboldt County Fair, Ferndale
Plumas	Plumas County Fair, Quincy
San Benito	San Benito County Fair, Hollister
San Mateo	San Mateo County Fair, San Mateo
Sonoma	Sonoma County Fair, Santa Rosa

Fairs Receiving Special Appropriations

District 1-A	Cow Palace, San Francisco
District 48	Great Western Junior Livestock and Dairy Show, Los Angeles
Los Angeles County	Los Angeles County Fair, Pomona
Cloverdale Citrus Fair, Cloverdale	
National Orange Show, San Bernardino	

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<u>District</u>	<u>Name</u>
4	Sonoma-Marin Fair, Petaluma
7	Monterey County Fair, Monterey
18	Eastern Sierra Tri-County Fair, Bishop
21	Fresno District Fair, Fresno
22	Southern California Exposition, Del Mar
27	Shasta District Fair, Anderson
34	Modoc District Fair, Cedarville
37	Santa Barbara County Fair, Santa Maria
39	Calaveras County Fair, Angel's Camp
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