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FOR IMMEDIATE RELEASE

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Budget Proposal Puts 29 California Fairs At Risk of Closure ***Plan Also Threatens \$126 Million in Annual Tax Revenue to State's General Fund***

SACRAMENTO, Calif. (Feb. 3, 2011) – The Brown Administration's plan to eliminate annual funding for California statewide network of fairs is expected to put 29 of them at risk of closure and could end up costing the General Fund \$57.4 million in lost annual income, the California Fairs Alliance warned today.

"The fair network generates more than \$126 million in direct tax income for the state every year," said Stephen Chambers of the California Fairs Alliance (CFA). "That represents nearly a four-to-one return on the state's overall \$32 million investment. In this light, the budget plan actually dries up an income stream that flows to the state from California fairs."

Along with a potential net income loss, the proposal could drive 29 fairs - including dozens of primarily rural fairs - completely out of business. This would result in a major economic ripple effect by killing jobs and related economic activities, according to CFA, which today also released the list of the 29 at-risk fairs and the formula for determining their status.

"Fair funding is seed money that creates a foundation from which the fairs are able to build up their true economic impact. While larger fairs may no longer need the platform provided by the funding, the majority of small and medium fairs do," said Chambers. "If you destroy this foundation, the whole network is disrupted. If the 'fair return' to the state in tax revenue is reduced by just 30 percent, this aspect of the Governor's budget proposal will bleed red ink from the General Fund."

CFA noted that the financial impact of California fairgrounds is well documented by the state of California, which recently issued a report, *California Fairs: Statewide Economic Impacts*, which found its economic contributions to be significant, including: \$2.8 billion in consumer spending, \$855 million in income, 25,000 full-time jobs and \$126 million in state and local taxes.

Absent proposed budget cuts, the fair network appears healthy. The fair network experienced a strong 2010 season with an overall growth in attendance and revenue. Budgets for the 2011 season are approved and funded and industry leaders expect another successful fair season as fairs continue to provide affordable, local, family recreational and educational experiences.

"We anticipate the state's direct return on its investment to fairs to top \$150 million in 2011 plus the added benefit of more than 30,000 full-time job equivalents," said Chambers. "That income, those jobs and the future of 29 fairgrounds will be in serious jeopardy in 2012 unless we find alternatives to the Governor's proposal."

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For these reasons, California fair officials have contacted Governor Brown's office and legislators, said Chambers, to explore ways to trim fair funding and provide alternative funding mechanisms that won't compromise the ability of fairgrounds to generate revenue for state and local governments.

"We are hopeful that with a more strategic combination of budget reductions, as well as greater local control and flexibility, we will be able to protect the fair network and increase income to state and local governments," Chambers said. "Furthermore, a more thoughtful plan will ensure the survival of the thousands of small businesses and nonprofits that rely on fairs and fairgrounds in California."

The California Fairs Alliance will be presenting their concerns and proposing alternative solutions during the legislative budget hearings next week.

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The California Fairs Alliance (CFA) is a subsidiary of the Western Fairs Association, a Sacramento-based nonprofit trade association representing fairs and fair-related businesses in the western United States and Canada. The CFA consists of 76 California fairs divided into seven geographic areas. The Alliance provides training and information to the California fair network as well as legislative advocacy on behalf of California fairs.