



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

**DATE ISSUED:** May 2, 2014

**ATTENTION:** Budget and Government Efficiency Committee, Agenda of May 7, 2014

**SUBJECT:** Fiscal Year 2015 Budget - Commission for Arts and Culture  
 1. Special Promotional Programs Budget  
 2. Department Budget

**REFERENCES:** 4 Attachments

**REQUESTED ACTION:**

Approve the Mayor's proposed FY15 total budget for the Commission for Arts and Culture (Commission) and distribute the total as recommended by the Commission:

<u>SPECIAL PROMOTIONAL PROGRAMS BUDGET – ARTS, CULTURE &amp; COMMUNITY FESTIVALS</u>	<i>FY15 Budget Distribution Recommendation from Commission</i>
<b>Organizational Support Program (OSP)</b> <sup>1</sup> (Funding for nonprofit arts and culture organizations)	\$6,540,356
<b>Creative Communities San Diego (CCSD)</b> <sup>2</sup> (Funding for arts and culture projects e.g. neighborhood festivals, parades, fairs)	\$935,792
<b>Arts and Culture Festival Revolving Fund</b> (Accumulating funds for major citywide festivals)	\$300,000
<b>Cultural Tourism Promotions</b> (Funding for arts and culture promotional campaigns and events to attract visitors)	\$300,000
<b>Building Capital Grants Fund</b> (Funding for needs assessment + pilot project re: improvements to cultural facilities)	\$50,000
<b>Arts Education Initiative</b> (Funding for K-12 arts education needs assessment + pilot project)	\$100,000
<b>Mayor/Council Allocations</b> (\$40K/Mayor & \$40K each council district)	\$400,000
<i>Subtotal</i>	<i>\$8,626,148</i>
<b><u>COMMISSION FOR ARTS AND CULTURE DEPARTMENT BUDGET</u></b>	
<b>Administration</b> (Non-discretionary personnel expenses with fringe, rent, IT, etc.)	\$1,053,584
<b>Public Art Fund</b> (Care of City's 100-yr old art collection and fostering access to collection)	\$108,709
<i>Subtotal</i>	<i>\$1,162,293</i>
<b>TOTAL</b>	<b>\$9,788,441</b>

<sup>1</sup> \$6,540,356 to be distributed among the Organizational Support Program (OSP) applicants that received a rank of 3- or better. (See Attachment 1.)

<sup>2</sup> \$935,792 to be distributed among the Creative Communities San Diego (CCSD) applicants that received a rank of 3- or better. (See Attachment 2.)

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On October 22, 2012, City Council unanimously voted to adopt the Penny for the Arts Five-Year Blueprint (Blueprint) (**Attachment 3**), which contains recommendations for funding and distributing the Commission's FY15 budget. (A spreadsheet reflecting milestones in the progress towards fulfilling the Blueprint is included as **Attachment 4**.)

SUMMARY:

Directed by the San Diego municipal code, the Commission is to evaluate the City's allocation of Transient Occupancy Tax (TOT) funds for arts and culture and strongly advocate for increasing arts and culture funding to levels which measurably support the vitality and stability of established arts and culture organizations and which foster an environment attractive to and nurturing of emerging arts and culture organizations (SDMC 26.0704). Annually, the Mayor proposes a total budget for the Commission. The budget is divided between the Arts, Culture and Community Festivals category within the Special Promotional Programs budget and the Commission's Department budget. The Commission's total budget is created by adding these two budgets together. For FY15, the Mayor has proposed to increase the Commission's total budget from \$9,552,972 in FY14 to \$9,788,441 and the Commission recommends support of the Mayor's proposed FY15 budget for the Commission.

BACKGROUND

The Commission was established in 1988 to advise the Mayor and City Council on promoting, encouraging and increasing support for the region's artistic and cultural assets, integrating arts and culture into community life and showcasing San Diego as an international tourist destination. City staff (6.00 FTE) advised by the Commission (a 15-member board of Mayor-appointed volunteers) annually administers two primary programs: the Funding Program and the Public Art Program.

Through the Commission's Funding Program, local nonprofit organizations can apply for TOT funding in one of two categories: The Organizational Support Program (OSP) provides general operating support to nonprofits if their mission is primarily arts and culture related; Creative Communities San Diego (CCSD) provides project specific support for all other nonprofits. The TOT funds to be distributed through the Commission's Funding Program can be found in the budget book within the Special Promotional Programs budget under the category of Arts, Culture and Community Festivals. For FY15, the Commission recommends that TOT funding in the amount of \$6,540,356 be distributed among the OSP applicants that received a rank of 3- or better (**Attachment 1**) and TOT funding in the amount of \$935,792 be distributed among the CCSD applicants that received a rank of 3- or better (**Attachment 2**).

The Commission's Public Art Program addresses three primary areas: 1) managing the art owned by the City, 2) integrating art into the City's capital improvement projects, and 3) ensuring the inclusion of public art or space for cultural use in private development projects. Some of the other initiatives implemented through the Public Art Program include training for artists, programming to enhance public access to the City's art collection, development of public policy related to art in public places, and advocacy for public art programming throughout the San Diego region. The Public Art Program is guided by the 2004 Public Art Master Plan,

Administrative Regulation 95.00, Council Policy 900-11 and SDMC 26.0714-26.0721. For FY15, the Commission recommends an allocation of \$108,709 for the Public Art Fund to be used towards the maintenance, conservation and restoration of the City's artworks especially those in Balboa Park in preparation for the park's centennial celebration.

DISCUSSION:

The Mayor has proposed to increase the Commission's budget from \$9,552,972 in FY14 to \$9,788,441 in FY15. In analyzing and proposing FY15 budget distribution scenarios in response to the Mayor's proposal, the Commission aligned their recommendations with the recommendations contained in the Blueprint while also accounting for the receipt of less funding than recommended for FY15 in the Blueprint and accounting for needs not contemplated in the Blueprint such as an Arts Education Initiative.

Rationales for the Commission's Recommendations:

- The recommendation to distribute \$300,000 to the Arts and Culture Festival Revolving Fund is intended to support the arts and culture components of four signature events planned for the Balboa Park centennial celebration.
- The recommendation to increase funding for the CCSD funding program by \$298,000 or 47% over FY14 funding levels is a response to the Mayor's priorities and City Council requests to allocate more funds to the small nonprofits throughout San Diego's many neighborhoods.
- The recommendation to distribute \$50,000 to the Building Capital Grants Fund is intended to seed a pilot project in combination with a needs assessment.
- The recommendation to distribute \$300,000 to Cultural Tourism Promotions is intended to strengthen promotional campaigns, events and projects to promote San Diego's arts and culture to residents and visitors.
- The recommendation to distribute \$108,709 to the Public Art Fund is intended for conservation and restoration of the City's 100-year old art collection, especially artworks in Balboa Park in preparation for the centennial celebration, and intended for improving opportunities for public access to the City's art collection.
- The recommendation to distribute \$100,000 to an Arts Education Initiative was inspired by suggestions and support from the City Council and the funding is intended to seed a pilot project in combination with contemporary validations of needs assessments completed over the last ten years in the San Diego region.
- The recommendation to award San Diego Opera \$160,000 from the FY15 OSP funding pool is a result of the Commission's rigorous deliberation and is intended to be a compromise that balances fiscal responsibility in the use of public funds and support for a local nonprofit with a significant economic footprint.

FISCAL CONSIDERATIONS:

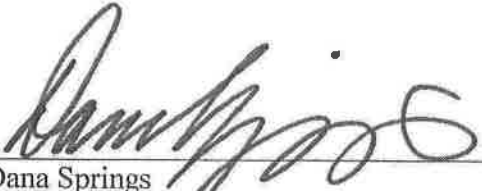
Should the Mayor's proposal for the Commission's FY15 budget be reduced or increased through the budget process, the Mayor may propose adjustments to the distribution of the Commission's budget.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The process whereby the Commission annually conducts analysis and decides what recommendations to submit to the Mayor and City Council regarding the Commission's annual budget is a series of public meetings, all of which are publicly noticed and offer opportunities for public comment.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

- Stakeholders: San Diego's arts and culture participants, both residents and visitors
- Impacts: Fluctuations in the Commission's budget can affect the degree of public access to and participation in arts and culture offerings and can affect the quality and quantity of arts and culture offerings.

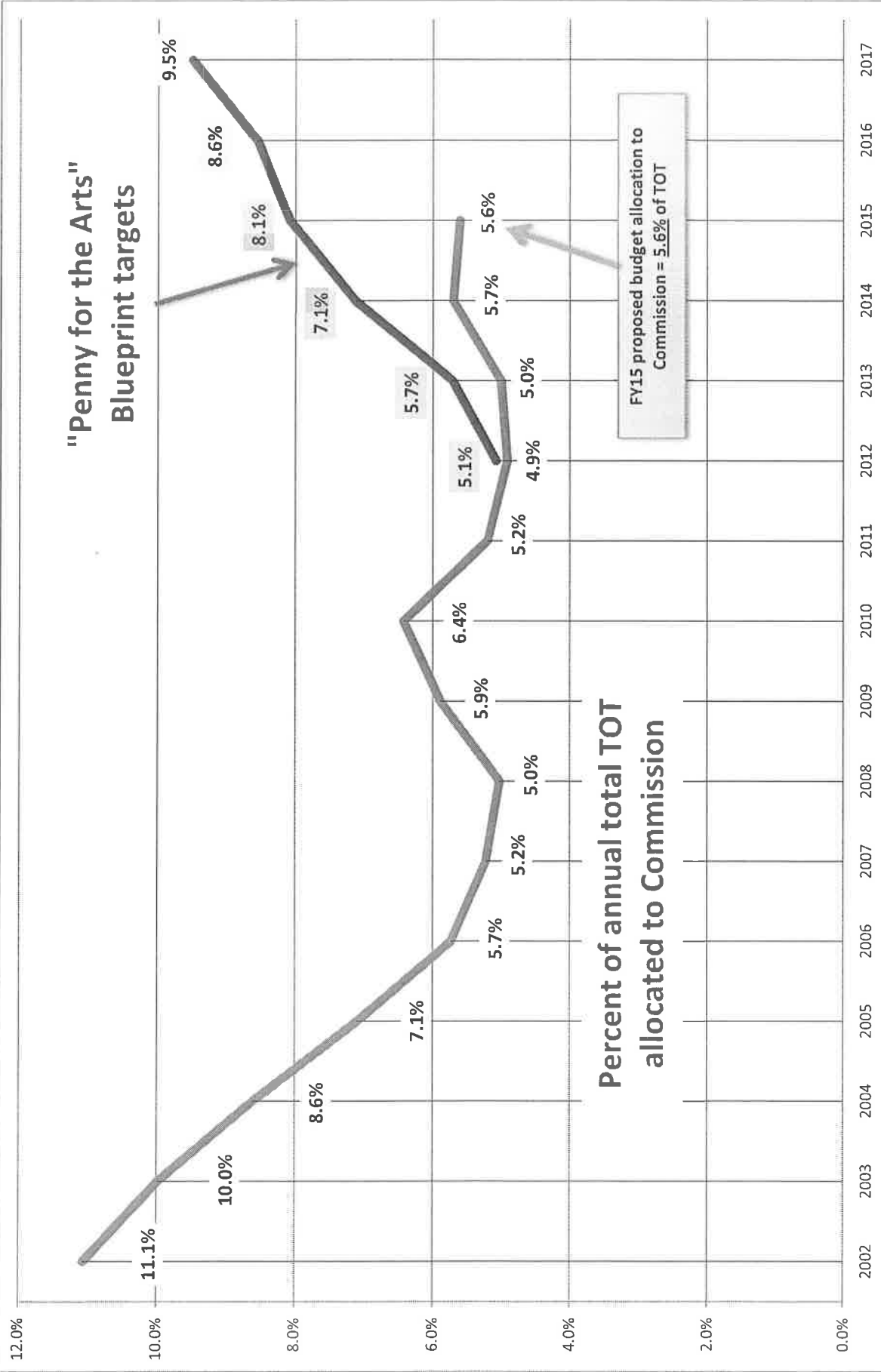
  
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Dana Springs  
Interim Executive Director  
Commission for Arts and Culture

  
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Approved: Ronald H. Villa  
Deputy Chief Operating Officer  
Neighborhood Services

Attachments:

- 1) FY 2015 OSP Overview and Funding Recommendations
- 2) FY 2015 CCSD Overview and Funding Recommendations
- 3) Penny for the Arts Five-Year Blueprint, October 2012
- 4) Spreadsheet Showing Progress Towards Blueprint Fulfillment, May 2014

Attachment 4 (Side A)  
 Progress Toward Blueprint Fulfillment, May 2014



Note: A "Penny for the Arts" will be achieved when 9.5% of annual total TOT is allocated to the Commission for Arts and Culture. This 9.5% of TOT is equivalent to 1 cent of the 10 ½ cents collected on each \$1 of hotel room revenue.

Attachment 4 (Side B)  
 Progress Toward Blueprint Fulfillment, May 2014

### Annual Total TOT Allocated to Commission

