



sfac san francisco
arts commission

FY 2026 & FY 2027 Proposed Budget

Executive Committee Meeting
January 15, 2025

La Rose des Vents by Jean-Michel Othoniel, 2015; Photo by Ethan Kaplan

Presentation Summary

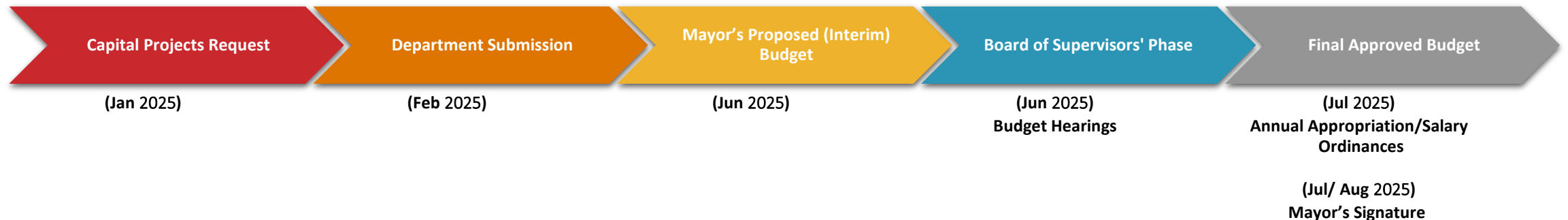
- Budget Process / Timeline
- Budget Climate & Instructions
- Budget Revenues
- Hotel Tax Performance
- Budget Expenditures
- Cultural Centers and Galleries Capital
- Civic Collection Capital



Rūupaywa: Songs of the Watershed by Walter Kitundu, 2022;
Alameda Creek Watershed Center, Sunol; Photo by Ethan Kaplan

Budget Process / Timeline

- Capital Projects Request (Jan 2025)
- Department Submission (Feb 2025)
- Mayor's Proposed (Interim) Budget (Jun 2025)
- Board of Supervisors' Phase
- Budget Hearings (Jun 2025)
- Final Approved Budget
- Annual Appropriation/Salary Ordinances (Jul 2025)
- Mayor's Signature (Jul / Aug 2025)



Budget Climate & Instructions

Budget Deficit of \$875.9M over next two FYs

- Expenditure growth outpacing revenue growth each year
- Delayed or revised growth in major tax revenues
- One-time funding sources largely depleted

General Fund Reduction Target

- 15% General Fund spending cuts in FY26 & FY27

Directives to Departments

- Assess community-based organization grant allocations for efficiency
- Re-examine all contractual services and non-personnel expenditures
- Current hiring freeze



Portrait of a Phenomenal Woman by Lava Thomas, 2024; Photo by Ethan Kaplan

Budget Revenues

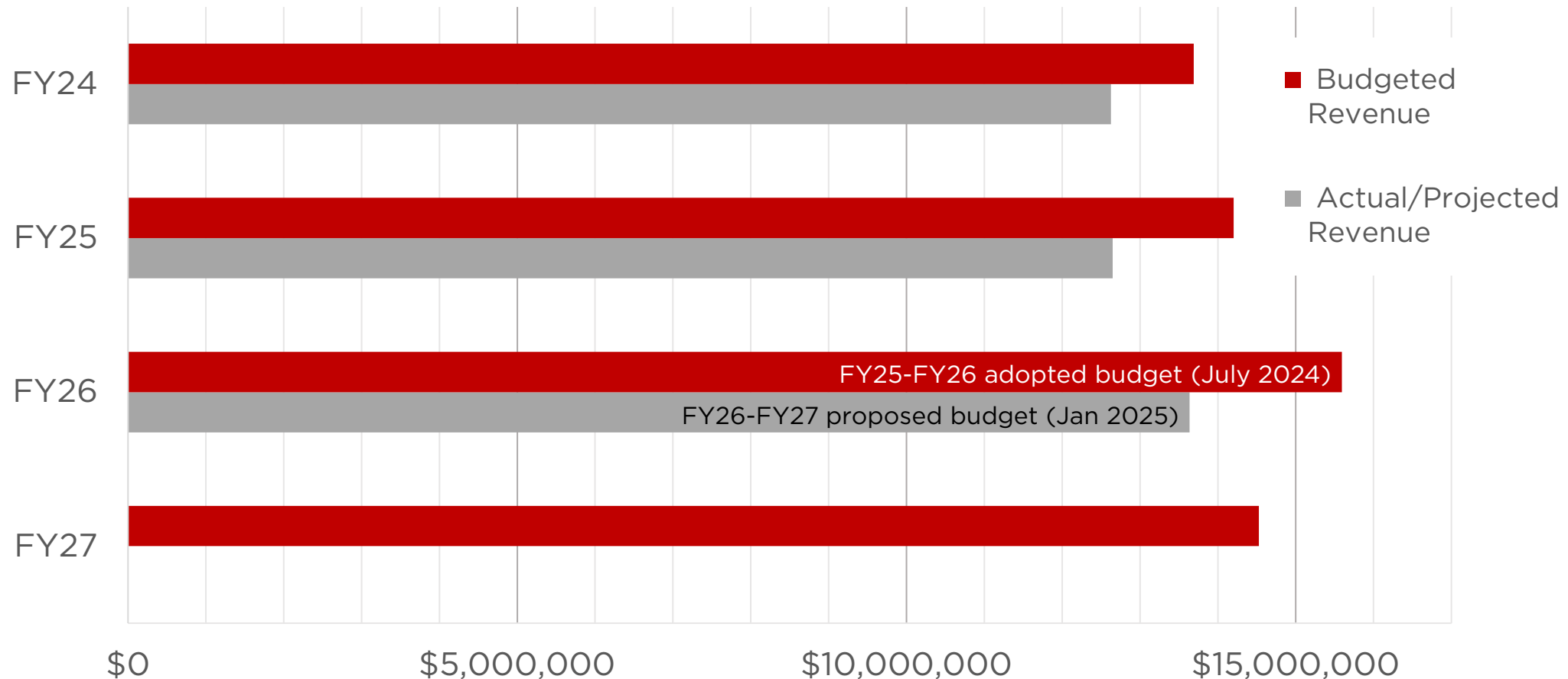
ART Revenues by Funding Source with Capital Requests (in Millions)			
	FY25	FY26	FY27
Hotel Tax (Prop E Annual Revenue)	14.20	13.64	14.53
General Fund ^[1]	2.10	2.00	2.03
Symphony Charter Allocation	4.42	4.47	4.56
Hotel Tax (One-Time)	1.12	0.52	-
Interdepartmental Services	1.64	2.50	2.50
Grants and Other	3.63	2.00	2.00
Total Operating Budget	27.11	25.13	25.62
Cultural Centers and Galleries - Capital	0.33	0.60	10.77
Civic Collection - Capital	2.58	2.35	1.88
COIT (Technology)	-	0.15	-
Total Capital Budget	2.91	3.10 ^[2]	12.65 ^[2]
Total Budget - Operating + Capital	30.02	28.23	38.27

^[1] FY26 and FY27 include General Fund target cuts

^[2] FY26 and FY27 include capital requests for the Cultural Centers, Civic Collection, Main Gallery, and Technology

Hotel Tax Performance

ART Annual Prop E Hotel Tax Revenue, FY24-FY27



Budget Expenditures

ART Expenditures by Program with Capital Requests (in Millions) ^[1]			
	FY25	FY26	FY27
Community Investments	16.79	14.13	14.38
Symphony Charter Allocation ^[2]	4.42	4.47	4.56
Administration	2.19	2.35	2.35
Public Art & Civic Collection ^[3]	2.35	1.46	1.49
Hotel Tax Revenue Contingency	-	1.36	1.45
Municipal Galleries ^[4]	0.94	1.04	1.07
Street Artist/Art Vendor	0.21	0.21	0.21
Civic Design	0.10	0.11	0.11
Total Operating Budget	27.00	25.13	25.62
Cultural Centers and Galleries - Capital	0.33	0.60	10.77
Civic Collection - Capital	2.58	2.35	1.88
COIT (Technology)	-	0.15	-
Total Capital Budget	2.91	3.10 ^[5]	12.65 ^[5]
Total Budget - Operating + Capital	29.91	28.23	38.27

^[1] FY26 and FY27 include General Fund target cuts

^[2] Per Charter Section 16.106

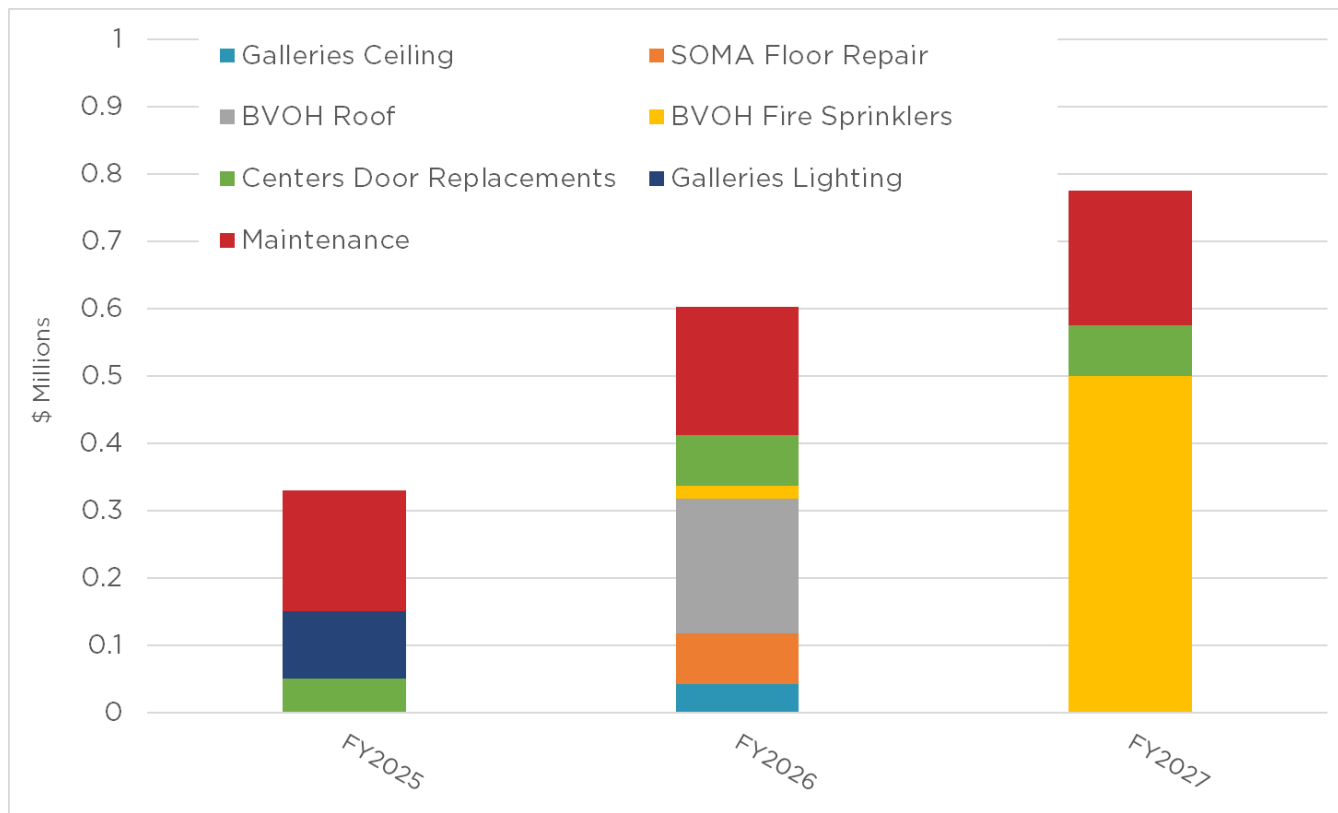
^[3] Public Art & Civic Collection figures exclude Art Enrichment funds budgeted in other departments

^[4] FY26 and FY27 include projected grant awards

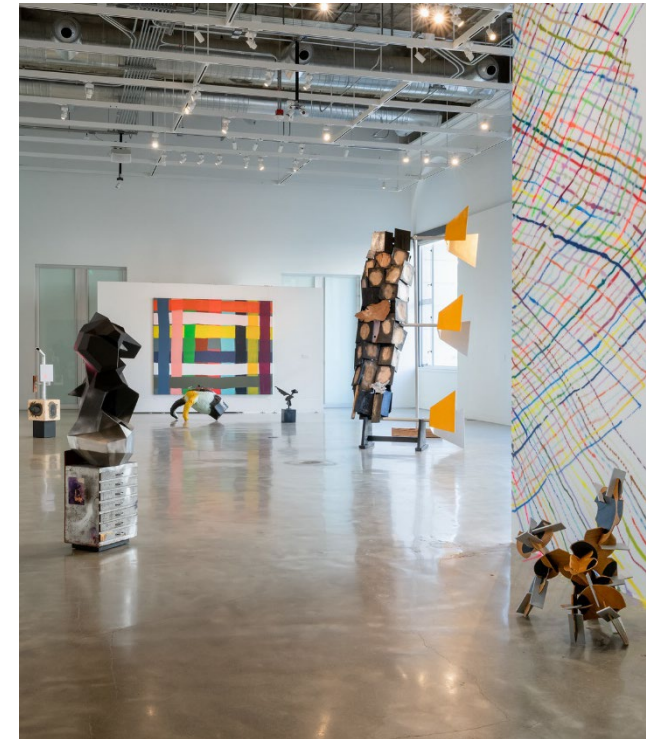
^[5] FY26 and FY27 include capital requests for the Cultural Centers, Civic Collection, Main Gallery, and Technology

Cultural Centers & Galleries - Capital

Cultural Center and Galleries capital project requests range from \$20K to \$10M (SOMArts in FY27)

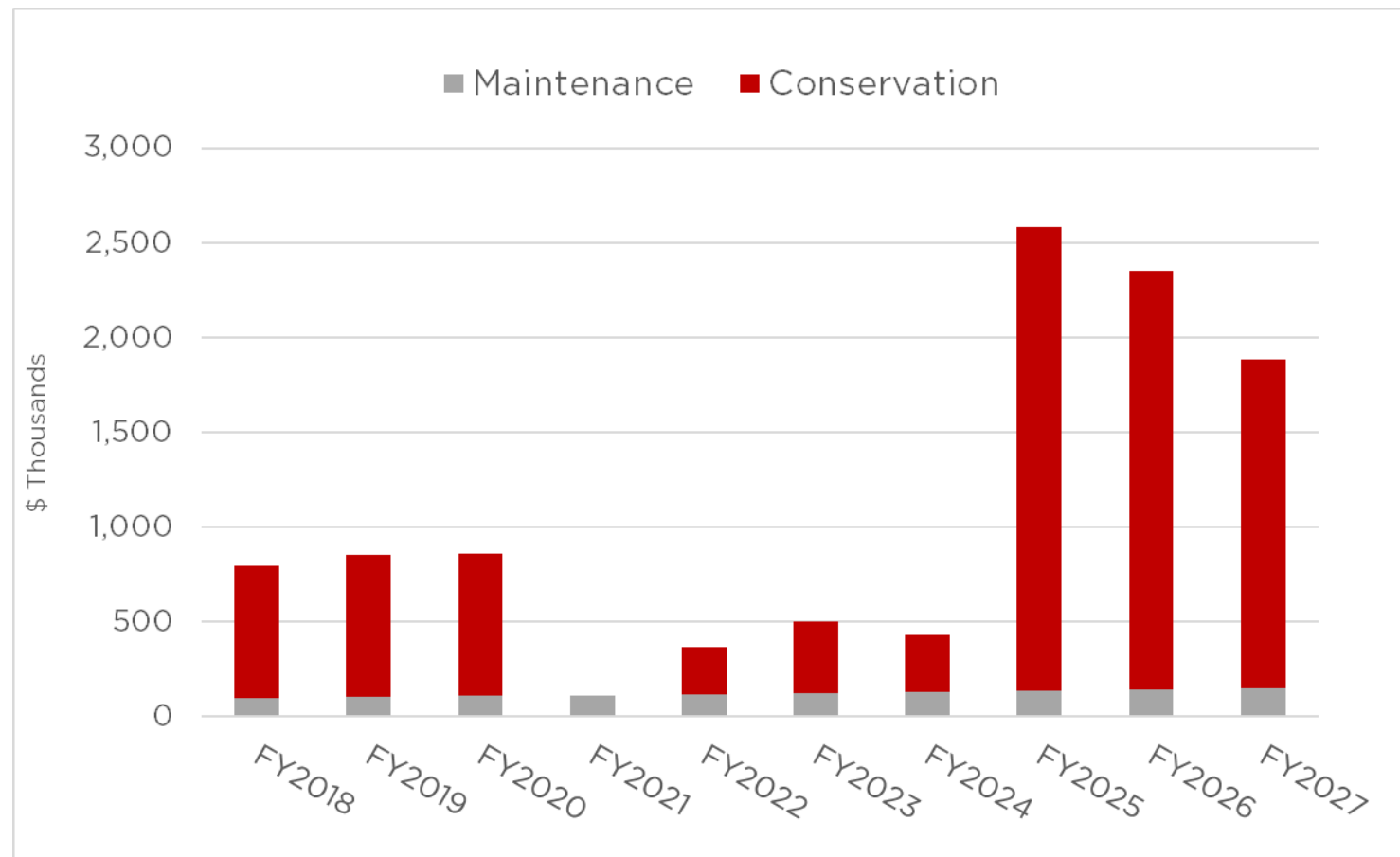


Note: FY26 and FY27 are requested amounts. FY27 \$10M SOMArts request not reflected in chart due to scale



CONVERSATION 8: Harry Dodge and Alicia McCarthy, 2024
SFAC Main Gallery Exhibition; Photo by Aaron Wojack

Civic Art Collection - Capital



Note: FY26 and FY27 are requested amounts



2024 Conservation of *SANTUARIO/SANCTUARY*
by Juana Alicia and Emmanuel Montoya, 2000
Photo by SFAC Staff

Questions?



Answering the Call by Monica Magtoto, 2019; Courtesy of the Artist



Thank You!

SF Arts Commission Proposed Capital Budget (FY25 to FY27)

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
Department-wide	Revenue		2,910,004	3,105,404	12,654,995
	Expense		2,910,004	3,105,404	12,654,995

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
Cultural Centers	Revenue	General Fund Support	230,807	559,847	10,774,340
	Revenue Total		230,807	559,847	10,774,340
	Expenditure	Capital Outlay	50,000	370,000	10,575,000
		Maintenance	180,807	189,847	199,340
	Expenditure Total		230,807	559,847	10,774,340

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
Collections	Revenue	General Fund Support	2,579,197	2,353,557	1,880,655
	Revenue Total		2,579,197	2,353,557	1,880,655
	Expenditure	Capital Outlay	2,444,000	2,211,600	1,731,600
		Maintenance	135,197	141,957	149,055
	Expenditure Total		2,579,197	2,353,557	1,880,655

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
Galleries	Revenue	General Fund Support	100,000	42,000	-
	Revenue Total		100,000	42,000	-
	Expenditure	Capital Outlay	100,000	42,000	-
	Expenditure Total		100,000	42,000	-

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
COIT	Revenue	General Fund Support	-	150,000	-
	Revenue Total		-	150,000	-
	Expenditure	Capital Outlay	-	150,000	-
	Expenditure Total		-	150,000	-

Note: FY24-25 figures are AAO approved budgets. FY25-26 and FY26-27 amounts are REQUESTS ONLY. Actual amounts will be determined by the City's Capital Planning Committee.

SF Arts Commission Proposed AAO Budget by Program
(Capital and Maintenance requests are NOT included in this Proposal)

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
Department-wide	Revenue		27,113,148	25,130,368	25,621,949
	Expense		27,001,299	25,130,368	25,621,949

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
ART Administration	Revenue	General Fund Support	5,161,437	5,367,605	5,455,688
		Symphony Support	1,419,728	1,419,728	1,419,728
		Grants	-	-	-
		Other	33,500	33,500	33,500
	Revenue Total		6,614,665	6,820,833	6,908,916
	Expenditure	Salary	657,121	693,332	730,209
		Fringe	401,955	432,096	458,302
		Citywide Overhead	296,001	296,001	296,001
		Non-Personnel Services	4,515,414	4,638,414	4,663,414
		Materials & Supplies	22,706	22,706	22,706
		Svcs of Other Departments	721,468	738,284	738,284
	Expenditure Total		6,614,665	6,820,833	6,908,916

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
ART Public Art & Collections	Revenue	Interdepartmental Services	138,025	691,173	691,173
		General Fund Support	599,484	620,658	645,802
		Grants	1,500,000	-	-
		Transit Advertising	109,586	150,000	150,000
	Revenue Total		2,347,095	1,461,831	1,486,975
	Expenditure	Salary	446,396	462,235	479,745
		Fringe	176,290	182,450	191,055
		Non-Personnel Services	1,724,409	817,146	816,175
	Expenditure Total		2,347,095	1,461,831	1,486,975

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
ART Community Investments	Revenue	Hotel Room Tax - Annual	14,204,000	13,636,500	14,526,800
		Hotel Room Tax - One Time	1,117,131	516,194	-
		General Fund Support	758,881	485,369	485,369
		Interdepartmental Services	578,615	852,900	822,713
		Transit Advertising	133,017	-	-
	Revenue Total		16,791,644	15,490,963	15,834,882
	Expenditure	Salary	1,864,137	1,930,124	2,002,859
		Fringe	719,788	744,756	779,564
		Non-Personnel Services	428,615	436,305	436,305
		CBO Grantmaking	10,617,614	8,207,768	8,216,765
		Programmatic Budget	2,734,497	2,244,797	2,383,146
		Svcs of Other Departments	426,993	563,563	563,563
		Revenue Contingency Reserve	-	1,363,650	1,452,680
	Expenditure Total		16,791,644	15,490,963	15,834,882

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
ART Street Artist Program	Revenue	General Fund Support	208,823	208,823	208,823
	Revenue Total		208,823	208,823	208,823
	Expenditure	Salary	107,414	111,218	115,431
		Fringe	44,046	45,613	47,794
		Non-Personnel Services	52,091	46,992	40,598
		Svcs of Other Departments	5,000	5,000	5,000
	Expenditure Total		208,551	208,823	208,823

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
ART Municipal Galleries	Revenue	General Fund Support	-	-	-
		Grants	125,000	85,000	85,000
		Interdepartmental Services	925,000	958,405	988,592
	Revenue Total		1,050,000	1,043,405	1,073,592
	Expenditure	Salary	491,707	531,431	551,562
		Fringe	196,716	212,516	222,572
		Non-Personnel Services	250,000	210,000	210,000
		Svcs of Other Departments	-	89,458	89,458
	Expenditure Total		938,423	1,043,405	1,073,592

Program	Account Type	Account Group	FY 2024-25 Department	FY 2025-26 Department	FY 2026-27 Department
ART Civic Design	Revenue	Civic Design Review Fees	100,921	104,513	108,761
	Revenue Total		100,921	104,513	108,761
	Expenditure	Salary	72,140	74,697	77,527
		Fringe	28,781	29,816	31,234
	Expenditure Total		100,921	104,513	108,761

San Francisco Arts Commission

January 15, 2025

Daniel Lurie
Mayor

To: Executive Committee Members

Ralph Remington
Director of Cultural Affairs

cc: Manraj Dhaliwal, Commission Secretary

401 Van Ness Avenue, Suite 325
San Francisco, CA 94102

From: Sarah Hollenbeck, Deputy Director of Finance & Administration

SFAC Galleries
401 Van Ness Avenue, Suite 126
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Re: FY26 & FY27 Budget Proposal

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Departmental capital and technology budget requests are due on January 17 and our operating budget submission is due to the Controller's Office and the Mayor's Office of Public Policy and Finance on February 21. The Mayor is legally mandated to present a balanced City budget to the Board of Supervisors by June 1. The Board's Budget Analyst will review the proposed budget and recommend adjustments, which they will present and discuss at hearings throughout the month of June. The full Board of Supervisors will vote on the final budget in July, and the Mayor will sign the annual appropriation and salary ordinances in July or August.



City and County of San Francisco

Each year the City budgets on a two-year basis. This year the Arts Commission is submitting its proposed budgets for Fiscal Year 2025-26 (FY26) and Fiscal Year 2026-27 (FY27). The budget presentation and supporting documents also include our final approved budget for the current fiscal year, Fiscal Year 2024-25 (FY25), for reference.

As the result of a projected Citywide budget deficit of \$875.9M over the next 2 budget years, the Mayor's budget instructions include mandatory general fund spending reductions of 15% for FY26 and FY27. SFAC anticipates meeting its mandatory reduction targets for FY26 and FY27 using strategies that minimize the impact on our active programs.

The Public Art program is primarily supported by funding generated from capital projects throughout the City pursuant to the Art Enrichment Ordinance. SFAC's administrative costs and the Civic Art Collection program continue to be supported in whole or in part by the General Fund, but the passage of Proposition E (November 2018) significantly reduced the Arts Commission's dependence on the General Fund.

The majority of the Department's grantmaking work is now funded with Hotel Tax revenue, as is the Galleries program in the FY25 through FY27 budgets. The City's Hotel Tax revenues underperformed the budget in FY24 and are currently projected

January 15, 2025
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to do so in FY25, with actual collections anticipated to be essentially flat from FY24 to FY25. Budgeted revenues for FY26 and FY27 assume a return to growth, but the recovery of the hospitality industry has slowed relative to prior forecasts.

Encl

cc: Ralph Remington, Director of Cultural Affairs