

San Francisco Arts Commission

January 19, 2022

London N. Breed
Mayor

Ralph Remington
Director of Cultural Affairs

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City and County of San Francisco

To: Executive Committee Members

Cc: Alyssa Ventre, Commission Secretary

From: Rally Catapang, Deputy Director of Finance and Administration

Re: FY23 & FY24 Budget Proposal

- Our departmental budget submission is due to the Controller's Office and the Mayor's Office of Policy and Finance on February 22. The Mayor is legally mandated to present a balanced City budget to the Board of Supervisors on June 1. The Board's Budget Analyst will review the budget and recommend cost savings, 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 ordinance in August.
- The Arts Commission is submitting a rolling two-year budget. The budget presentation and supporting documents include our final approved budget for FY22, as well as our proposed budgets for FY23 and FY24.
- As the result of a projected Citywide budget surplus of \$108.1M over the next 2 budget years, the Mayor's budget instructions do not include any mandatory reductions for FY23 for FY24.
- The passage of Proposition E (November 2018) significantly shifted the Arts Commission's dependence from General Fund to Hotel Room Tax. The majority of the department's grant making work is now supported with Hotel Tax Fund revenue. The resulting ordinance also caps annual increases and decreases by 10%, critical in the current pandemic where Hotel Tax revenue experienced a precipitous decline in the current fiscal year. The General Fund currently supports the agency's administrative costs, the Civic Art Collection program, and the Galleries program.

- As the City recovers from the public health crisis and severe revenue loss caused by COVID-19, the Mayor is focused on restoring the City's vibrancy, economic recovery, accountability, and equity. The Arts Commission is prioritizing core functions where budget decisions will emphasize effective use of City funding in tandem with our Racial Equity Action Plan.