

San Francisco Arts Commission

January 20, 2023

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: Traka Lopez-White, Acting Commission Secretary

From: Rally Catapang, Deputy Director of Finance and Administration

Re: FY24 & FY25 Budget Proposal

- Our departmental budget submission is due to the Controller’s Office and the Mayor’s Office of Policy and Finance on February 21. 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 FY23, as well as our proposed budgets for FY24 and FY25.
- As the result of a projected Citywide budget deficit of \$728M over the next 2 budget years, the Mayor’s budget instructions include mandatory general fund support reductions for FY24 for FY25. The General Fund currently supports the agency’s administrative costs, the Civic Art Collection program, and the Galleries program. Target reductions will be achieved by moving several general fund FTEs to non-general fund sources.
- 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. In FY24 and FY25 the agency is projected to receive 10% more than previous year in hotel taxes due to improvements in collection levels as the City’s tourism rebounds.
- As the City recovers from the public health crisis and slowed revenue growth caused by COVID-19 and shift to hybrid work, the Mayor is focused on public safety, downtown economic recovery, government efficiency, 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.