

**San Francisco
Arts Commission**

Edwin M. Lee
Mayor

Tom DeCaigny
Director of
Cultural Affairs

Programs:
Civic Art Collection
Civic Design Review
Community Arts & Education
Cultural Equity Grants
Public Art
SFAC Galleries
Street Artist Licensing

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City and County of
San Francisco

MEMORANDUM

TO: Members of the Executive Committee of the San Francisco Arts Commission
FROM: Rebekah Krell, Deputy Director & CFO
DATE: January 27, 2014
SUBJECT: Arts Commission FY 2014-2015 & FY 2015-2016 Proposed Budget

Attached for your review and approval please find the Arts Commission's proposed budget for FY 2014-2015 and FY2015-2016, as well as a summary of the final current year budget for your reference.

- The City is projected to have a cumulative shortfall of \$100.7M in FY 2014-2015, and \$118.3M in FY 2015-2016. Accordingly, the Mayor's budget instructions include a request for a 2.5% ongoing General Fund budget reduction from all departments over two years, as well as an additional 1% contingency reduction in the second year.
- We look forward to working with the Mayor's Office of Policy and Finance to meet our reduction target in a way that prioritizes our core functions and minimizes service impacts. We will return to the Commission for approval of our proposal after conferring with the Mayor's Office.
- We are requesting a total of \$1.5M in capital funding for FY 2014-2015, and a total of \$1.6M in capital funding for FY 2015-2016, for the care of the cultural centers as well as our civic collection.
- Proposed cultural center projects include an HVAC system replacement for the African American Art and Culture Complex (AAACC) and the Mission Cultural Center for Latino Arts (MCCLA), as well as a fire life safety system for MCCLA.
- Proposed projects for the civic art collection include funding for assessment and treatment (conservation/restoration) for multiple artworks throughout the City.
- We are also requesting one-time funding in our general operating budget for furniture, fixtures, and equipment (FF&E) costs associated with our upcoming move to the Veteran's War Memorial building, anticipated in the summer of 2015. The final cost estimate is pending a quote from our furniture vendor.
- There is a standard growth assumption applied to salary and fringe benefit costs Citywide, which does not take into account the as yet unknown outcome of labor contract negotiations.
- The Cultural Equity Grants budget includes a new, limited duration position funded by a grant from the American Council of Learned Societies. The position is a two-year fellowship that will be focused on policy and evaluation of the Arts Commission's grant making practices.

- As per legislation passed last year, the Street Artists licensing fee will adjust automatically by the amount of the CPI (as do most other city fees). For FY 2014-2015, the number is 2.58%, and for FY 2015-2016, 3.10%. The final fee will be certified by the Controller's Office in April.
- We are centralizing programmatic materials and supplies costs in the administrative budget to streamline expenditure tracking.