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San Diego City Council Unanimously Updates Budget Process to Recommend Funding for Arts and Culture Organizations

Today's vote revises City's budget process to recommend 'Penny for the Arts', which uses 9.52% of Transient Occupancy Tax (TOT) revenues to fund arts and culture organizations in San Diego

SAN DIEGO — Today, the San Diego City Council voted 8-0 to update the City's budget process to recommend the City finally uphold its 'Penny for the Arts' promise, which would use 9.52% of annual TOT (hotel tax) revenues for arts and culture.

"Hotel tax revenues should be reinvested into our communities and into our workers," said Councilmember Raul Campillo. "Today's vote prioritizes the intentional investment of TOT funds into arts and culture so that we retain our creative workforce. By investing in the arts, we also invest in the City of San Diego's economic well-being and in quality of life for San Diegans."

"Arts and culture activity is critical to the vibrancy and economy of San Diego," said Councilmember Vivian Moreno. "Every year, arts programming is on the chopping block in the budget, despite the Council's stated goal to provide stable funding every year. It is crucial that the City Council do all it can to ensure that our communities have access to visual and performing arts and community festivals. This policy change will allow the Council the opportunity to make clear its expectations on fulfilling the Penny for the Arts Plan goals."

"By finally achieving the Penny for the Arts promise, San Diego will ensure that talented people in the arts and culture space stay here in San Diego instead of moving to other cities in search of better opportunities, and San Diego will be a more vibrant and rich place as a result," said Christine Martinez, Director of Arts+Culture: San Diego. "Thank you Councilmembers Campillo and Moreno for their tireless work to advance this important legislation."

In 2012, the San Diego City Council voted unanimously to approve a "Penny for the Arts" plan that would increase arts and culture funding from the city's TOT. The plan's recommendation included restoring arts and culture funding levels to 9.52% of annual TOT revenue by 2017. However, this has not

happened; most recently, the Council's FY24 adopted arts and culture budget was only 4.67% of TOT revenue.

The policy championed by Councilmembers Campillo and Moreno will establish a legislative process for the City Council to recommend that 1 cent of the 10.5 cents collected on each eligible dollar, or 9.52% of TOT revenue, be used in each budget in order to meet the Penny for the Arts goal. Today's policy also directs the Independent Budget Analyst to conduct additional analysis on whether each annual proposed budget meets the intent of the Council recommendation to use 9.52% of TOT funds for arts and culture. Additionally, the policy requests additional reporting from the Mayor and the Department of Finance on how TOT revenue is being expended.

Earlier today, Councilmembers Campillo and Moreno were joined by 30+ arts and culture advocates, who all came to support this item as it came to City Council.

About Councilmember Raul Campillo

Councilmember Raul Campillo proudly represents the Seventh Council District of the City of San Diego and serves as the Chair of the Economic Development & Intergovernmental Relations Committee.

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