



The City of San Diego
Report to City Council

DATE ISSUED: 5/1/18

TO: City Council Budget Review Committee

FROM: Commission for Arts and Culture

SUBJECT: Recommendations from the Commission for Arts and Culture re: Fiscal Year 2019 Budget Distributions

Primary Contact: Christine E. Jones Phone: (619) 236-6661

OVERVIEW:

This request is to distribute the Mayor’s Fiscal Year 2019 Proposed Budget for the City of San Diego (City) Commission for Arts and Culture (Commission) as recommended by the Commission.

PROPOSED ACTIONS:

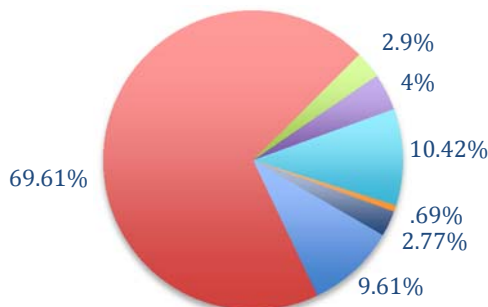
Distribute the Mayor’s Proposed Fiscal Year 2019 Budget for the Commission as recommended by the Commission.

DISCUSSION OF ITEM:

The Commission recommends distribution of the total Fiscal Year 2019 Proposed Budget for the City’s Arts & Culture as follows:

- **Fund Creative Communities San Diego (CCSD) at 9.61% of total allocated budget**
- **Fund Organizational Support Program (OSP) at 69.61% of total allocated budget**
- **Fund Horton Plaza Theatre Foundation at \$420,000**
- **Fund the Public Art Fund at 4% of total allocated budget**
- **Fund the Mayor/City Council Allocations at \$400,000**
- **Fund special Arts Education Enrichment Initiative at \$100,000**

- FUNDING PROGRAM: CCSD - 9.61%
- FUNDING PROGRAM: OSP - 69.61%
- HORTON PLAZA THEATRE FOUNDATION - 2.9%
- PUBLIC ART FUND - 4%
- DEPT ADMIN - 10.42%
- ART EDUCATION ENRICHMENT INITIATIVE - .69%
- MAYOR/CITY COUNCIL ALLOCATIONS - 2.77%



The Commission's recommended distributions result in the following allocations for Arts & Culture's total FY19 Proposed Budget, which is a combination of Special Promotional Programs (Business Area 1414) and Commission for Arts and Culture (Business Area 1417):

	Commission's Recommended Distribution of FY19 Proposed Budget
<u>Special Promotional Programs - Business Area 1414:</u>	
Creative Communities San Diego (CCSD) ¹	\$1,388,935
Organizational Support Program (OSP) ²	\$10,065,625
Horton Plaza Theatre Foundation (Former RDA Obligation)	\$420,000
Art Education Enrichment Initiative	\$100,000
Mayor/City Council Allocations	\$400,000
	<i>SUBTOTAL \$12,374,560</i>
<u>Commission for Arts and Culture - Business Area 1417:</u>	
Public Art Fund ³	\$578,410
Administration	\$1,507,264
	<i>SUBTOTAL \$2,085,674</i>
TOTAL PROPOSED BUDGET \$14,460,234	
¹ Distribute \$1,388,935 among the Creative Communities San Diego (CCSD) applicants whose proposals received a rank of 3- or better and calculate awards using the algorithm; no applicant receives less than \$5,000; no applicant receives more than 10% of the total amount of funds available. (See more detail in Attachments 1 & 2)	
² Distribute \$10,065,625 among the Organizational Support Program (OSP) applicants whose proposals received a rank of 3- or better and calculate awards using the algorithm; no applicant receives less than \$5,000; no applicant receives more than 10% of the total amount of funds available. (See more detail in Attachments 3 & 4)	
³ Distribute \$578,410 to the Public Art Fund for Civic Art Collection management in the amount of \$289,205 and Commission-initiated public art projects in neighborhoods in the amount of \$289,205	

PURPOSE OF THE COMMISSION

The Commission was established in 1988 to advise the Mayor and City Council on promoting, encouraging and increasing support for the region's artistic and cultural assets, integrating arts and

culture into community life and showcasing San Diego as an international tourist destination (SDMC 26.0701).

DUTIES OF THE COMMISSION

With regards to the City's Arts & Culture budget distribution, pursuant to the San Diego Municipal Code 26.0704, the Commission's role is to:

- c) Evaluate the City's allocation of Transient Occupancy Tax (TOT) funds for arts and culture and strongly advocate for increasing arts and culture funding to levels which measurably support the vitality and stability of established arts and culture organizations and which foster an environment attractive to and nurturing of emerging arts and culture organizations;
- g) Review the annual proposed budget for the Commission as prepared by the Executive Director of the Commission and provide recommendations, as appropriate;
- h) Advise on the administration of the budget for the Commission, and the arts and culture allocations within TOT funds including, but not limited to, the Special Promotional TOT Revenue and the Arts, Culture and Community Festivals category;
- j) Recommend to the Mayor, City Council and City Manager the fair distribution of TOT funds to nonprofit arts and culture organizations to support local arts and culture programming.

RATIONALE FOR RECOMMENDATIONS FROM THE COMMISSION

In preparing recommendations pertinent to the FY19 Proposed Budget, the Commission considered:

- 1) The areas of focus highlighted in the *Fiscal Year 2019 Proposed Budget* presented by the Mayor;
- 2) The values and goals set forth in *The City of San Diego Strategic Plan*; and
- 3) Trends in the Commission's past funding recommendations and the goals in the *Penny for the Arts Five-Year Blueprint, FY2013 – FY2017*.

**Commission's Recommendation:
Fund Organizational Support Program (OSP) at 69.61%
&
Fund Creative Communities San Diego (CCSD) at 9.61%**

Focus Area of Mayor's FY19 Proposed Budget: Opportunity in Every Community: Protecting Key Neighborhood Services

City of San Diego Strategic Plan Goal 1: Work in partnership with all of our communities to achieve safe and livable neighborhoods

The Organizational Support Program (OSP) and Creative Communities San Diego (CCSD) are programs administered by Commission staff, in accordance with Council Policy 100-03, through which the City annually distributes Transient Occupancy Tax (TOT) funds to local arts and culture nonprofits. OSP offers general operating support to nonprofits if their mission is primarily arts and culture related and CCSD offers sponsorship for events such as festivals and parades. For FY19, nonprofits applying for TOT funding through OSP or CCSD were required to either submit proposal to the City or qualify to exercise the option to renew their FY18 agreement and retain their ratified

proposal rank from FY18. Proposals are evaluated by ad hoc panels composed of diverse community members using criteria and given a rank. The proposal's rank, the applicant's annual operating income (AOI) (for OSP) or the applicant's total project budget (for CCSD), the amount of funding available to distribute and the number of proposals in each competition pool are the main factors in determining funding award amounts. Each nonprofit recipient of TOT funding through OSP or CCSD enters into a one-year service contract managed by Commission staff. Services provided under these contracts include performances, exhibits, parades, festivals, public art and educational classes and benefit the residents, visitors and investors in all of San Diego's neighborhoods.

For FY19, the Commission recommends funding OSP at 69.61% and CCSD at 9.61% of the total allocated budget proposed for the Commission. The Commission further recommends that awards be given to only those proposals receiving ranks of 3- or better. (See Attachments 1-4 for FY19 applicants and their respective awards recommended by the Commission.) Additionally, the Commission recommends an allocation of \$420,000 to Horton Plaza Theatre Foundation, a former Redevelopment Agency obligation, and funding the special Arts Education Enrichment Initiative at \$100,000.

**Commission's Recommendation:
Fund the Mayor/City Council Allocations at \$400,000**

The Commission supports the allocation set forth in the FY19 Proposed Budget as presented by the Mayor.

**Commission's Recommendation:
Fund Public Art Fund at 4%
for Civic Art Collection Management
&
Commission-initiated Public Art Projects in Neighborhoods**

Focus Area of Mayor's FY19 Proposed Budget: Opportunity in Every Community: Protecting Key Neighborhood Services

City of San Diego Strategic Plan Goal 1: Work in partnership with all of our communities to achieve safe and livable neighborhoods

For FY19, the Commission recommends an allocation of 4% of the total budget proposed for the Public Art Fund, including 2% for conservation, maintenance, exhibition and interpretation of the Civic Art Collection, which includes approximately 1600 pieces - paintings, installations, sculptures, works on paper and prints owned or controlled by the City. Begun in 1909 to provide meaningful aesthetic and cultural experiences for San Diego's residents and visitors, the Civic Art Collection includes many artworks of art historical importance and historical significance. Additionally, 2% for Commission-initiated Public Art Projects which enable the Commission to strategically select neighborhood sites for engaging public art projects that achieve the goals of the City's Public Art Master Plan, leading to improved equity and access to the arts in neighborhoods.

Fiscal Considerations:

Should the Commission's Fiscal Year 2019 budget be reduced or increased through the budget process, the Mayor and City Council may propose adjustments to the distribution of the Commission's budget.

Previous Council and/or Committee Actions:

On October 22, 2012, City Council voted to adopt the *Penny for the Arts Five-Year Blueprint, FY2013 – FY2017*.

Key Stakeholders and Community Outreach Efforts:

San Diego's arts and culture participants, both residents and visitors. Impacts: Fluctuations in the Commission's budget can affect the degree of public access to and participation in arts and culture offerings and can affect the quality and quantity of arts and culture offerings.

The process whereby the Commission annually conducts analysis and decides what recommendations to submit to the Mayor and City Council regarding the Commission's annual budget is a series of public meetings, all of which are publicly noticed and offer opportunities for public comment.



Christine E. Jones
Acting Executive Director
Commission for Arts and Culture



David Graham
Deputy Chief Operating Officer
Neighborhood Services

Attachment(s):

1. Recommended Funding Awards for CCSD
2. Fact Sheet: Factors Affecting Amount of CCSD Awards
3. Recommended Funding Awards for OSP
4. Fact Sheet: Factors Affecting Amount of OSP Awards

**FY19 Creative Communities San Diego (CCSD)
Awards Recommended Commission 04-27-18**

FY19 Creative Communities San Diego (CCSD) Applicant	FY19 Award Recommendation	Project Budget	% of Project Budget
A Ship in the Woods Foundation	\$5,000	\$20,000	25.00%
Adams Avenue Business Association	\$32,726	\$182,000	17.98%
American Water Works Association	\$9,283	\$54,925	16.90%
America's Finest City Dixieland Jazz Society	\$35,495	\$210,000	16.90%
Armed Servies YMCA of the USA- San Diego Branch	\$107,890	\$600,000	17.98%
Asian Story Theater	\$5,000	\$35,000	14.29%
Balboa Park Conservancy	\$82,823	\$490,000	16.90%
Biocom Institute	\$79,044	\$467,640	16.90%
Bodhi Tree Concerts	\$5,000	\$30,000	16.67%
Brazilian Institute for Arts & Culture	\$10,659	\$78,000	13.67%
Cabrillo Festival	\$5,000	\$20,000	25.00%
Casa Familiar	\$5,000	\$20,700	24.15%
Contact Arts dba San Diego Fringe Festival	\$81,492	\$515,000	15.82%
CoTA (Collaborations: Teachers and Artists)	\$5,000	\$30,000	16.67%
Depositing Empowerment through Outreach and Urban Redevelopment	\$5,000	\$15,000	33.33%
Friends of Balboa Park	\$5,000	\$20,000	25.00%
Hillcrest Business Improvement Association	\$21,622	\$120,250	17.98%
Indian Fine Arts Academy of San Diego	\$23,735	\$150,000	15.82%
Italian American Art and Cultural Association of San Diego	\$17,747	\$105,000	16.90%
Jacobs & Cushman San Diego Food Bank	\$56,965	\$360,000	15.82%
Karama	\$7,049	\$29,700	23.74%
Karen Organization of San Diego	\$5,000	\$20,000	25.00%
La Maestra Family Clinic, Inc	\$7,108	\$29,950	23.74%
Linda Vista Multi-Cultural Fair, Inc.	\$8,863	\$60,110	14.74%
Little Italy Association	\$23,735	\$150,000	15.82%
Mandate Project Impact	\$23,510	\$159,450	14.74%
Mariachi Juvenil de San Diego	\$45,637	\$270,000	16.90%
Mariachi Scholarship Foundation	\$23,494	\$139,000	16.90%
Musicians for Education	\$16,219	\$90,200	17.98%
Ocean Beach Merchants Association	\$27,871	\$155,000	17.98%
Pacific Beach Business Improvement Association	\$14,744	\$100,000	14.74%
Pacific Beach Town Council	\$5,000	\$16,000	31.25%
Parade Band Foundation	\$8,451	\$50,000	16.90%
Point Loma Summer Concerts	\$15,442	\$113,000	13.67%
Rolando Community Council	\$7,077	\$29,817	23.74%
San Diego Architectural Foundation	\$10,141	\$60,000	16.90%
San Diego Audubon Society	\$21,578	\$120,000	17.98%
San Diego Earth Day	\$22,117	\$150,000	14.74%
San Diego Film Foundation	\$127,856	\$808,000	15.82%
San Diego Lesbian, Gay, Bisexual, Transgender Pride	\$138,893	\$1,830,700	7.59%
San Diego Performing Arts League	\$5,000	\$30,000	16.67%
San Diego Shakespeare Society	\$5,000	\$25,000	20.00%
Sherman Heights Community Center	\$5,823	\$26,000	22.31%
Sorrento Valley Town Council	\$5,000	\$15,000	33.33%
Speed of Change, Inc	\$14,744	\$100,000	14.74%
Spirit of the Fourth	\$10,429	\$58,000	17.98%
Teatro Mascara Magica	\$6,135	\$27,500	22.31%
The Bon Temps Social Club of San Diego	\$118,520	\$749,000	15.82%
The Cooper Family Foundation	\$5,000	\$25,000	20.00%
Torrey Pines Kiwanis Foundation	\$49,018	\$290,000	16.90%
Via International	\$5,000	\$30,000	16.67%
		\$1,388,935	

CREATIVE COMMUNITIES SAN DIEGO - Factors Affecting Award Amounts

Funding awards for the Creative Communities San Diego (CCSD) program are calculated using two categories of factors: 1) those factors that are related to an individual proposal, and 2) those factors that affect the entire population of proposals.

The amount of funding each proposal can be awarded is dependent on **ALL** the factors.

1) Factors related to each individual proposal:

- **TOTAL PROJECT EXPENSE BUDGET** - An algorithmic scale is used to create a maximum allowable percentage based on the size of an organization's total project expense budget. Smaller budget projects are eligible for higher percentages of their project expense budget than larger budget projects who receive a lower percentage of their project expense budget.
- **PROPOSAL RANK** - A higher rank given to a proposal by the evaluation panel leads to a higher award.

2) Factors that affect the entire pool of proposals:

- **AMOUNT OF MONEY AVAILABLE TO DISTRIBUTE** - More money available for distribution can lead to higher award amounts per proposal.
- **NUMBER OF PROPOSALS RECOMMENDED FOR FUNDING AWARDS** - A greater number of proposals recommended to receive funding awards stretches the amount of money available to distribute more thinly across all the proposals.
- **THE COLLECTIVE PROJECT EXPENSE BUDGETS OF ALL PROPOSALS** - The greater the collective project expense budgets, the more thinly the amount of money available to distribute must be spread to support proposals relative to the size of their budgets.

Example: The ABC Arts Festival is a first-year contractor. With a project budget of \$1,014,450 and a rank of 4, their funding award is \$180,996.

**FY19 Organizational Support Program (OSP)
Awards Recommended by Commission 04-27-18**

FY19 Organizational Support Program (OSP) Applicant	FY19 Award Recommendation	Applicant AOI	% of AOI
Art of Elan	\$26,616	\$266,447	9.99%
ArtReach	\$21,826	\$193,251	11.29%
Bach Collegium San Diego	\$32,700	\$316,350	10.34%
Balboa Park Cultural Partnership	\$245,264	\$4,423,086	5.55%
Balboa Park Online Collaborative	\$85,137	\$1,067,730	7.97%
California Ballet Association, Inc.	\$120,479	\$1,868,900	6.45%
California Lawyers for the Arts	\$73,404	\$878,919	8.35%
CAMARADA	\$15,815	\$142,051	11.13%
Center for World Music	\$25,706	\$255,363	10.07%
Choral Club of San Diego	\$5,000	\$17,151	29.15%
Choral Consortium of San Diego	\$5,000	\$15,941	31.37%
City Ballet, Inc	\$84,883	\$1,063,532	7.98%
Classics for Kids, Inc	\$37,170	\$370,619	10.03%
Culture Shock Dance Troupe, Inc.	\$23,206	\$225,455	10.29%
Cygnets Theatre Company	\$172,973	\$2,852,047	6.06%
Diversions Theater Productions Inc.	\$77,533	\$944,060	8.21%
Fern Street Community Arts, Inc.	\$21,021	\$184,681	11.38%
Finest City Performing Arts, Inc.	\$56,555	\$580,527	9.74%
Flying Leatherneck Historical Foundation	\$36,139	\$388,439	9.30%
Gaslamp Quarter Historical Foundation	\$53,460	\$584,677	9.14%
Japan Society of San Diego and Tijuana	\$28,729	\$269,875	10.65%
Japanese Friendship Garden Society of San Diego	\$141,764	\$2,140,731	6.62%
La Jolla Historical Society	\$78,939	\$1,054,232	7.49%
La Jolla Music Society	\$212,062	\$3,526,579	6.01%
La Jolla Symphony and Chorus Association	\$60,523	\$745,549	8.12%
Lambda Archives of San Diego	\$18,054	\$142,832	12.64%
Library Association of La Jolla	\$133,483	\$1,966,781	6.79%
Mainly Mozart, Inc.	\$112,646	\$1,555,255	7.24%
Malashock Dance & Company	\$57,961	\$648,073	8.94%
Maritime Museum Association of San Diego	\$174,954	\$3,199,045	5.47%
Media Arts Center San Diego	\$96,602	\$1,163,064	8.31%
Mingei International	\$196,511	\$3,450,806	5.69%
Mojalet Dance Collective	\$15,189	\$125,132	12.14%
Moxie Theatre, Inc	\$27,075	\$251,015	10.79%
Museum of Contemporary Art San Diego	\$267,441	\$5,643,337	4.74%
Museum of Photographic Arts	\$229,051	\$4,377,422	5.23%
New Americans Museum	\$38,529	\$387,513	9.94%
NTC Foundation	\$191,782	\$3,677,039	5.22%
Old Globe Theatre	\$491,017	\$22,349,576	2.20%
Opera Neo	\$17,902	\$141,399	12.66%
Outside the Lens	\$55,231	\$563,346	9.80%
Pacific Arts Movement	\$67,295	\$724,942	9.28%
Persian Cultural Center	\$42,615	\$439,394	9.70%
Playwrights Project	\$42,174	\$401,510	10.50%
Poway Center for the Performing Arts Foundation	\$66,449	\$713,246	9.32%
Prophet World Beat Productions	\$33,647	\$327,674	10.27%

**FY19 Organizational Support Program (OSP)
Awards Recommended by Commission 04-27-18**

FY19 Organizational Support Program (OSP) Applicant	FY19 Award Recommendation	Applicant AOI	% of AOI
Putnam Foundation dba Timken Museum of Art	\$126,939	\$1,833,538	6.92%
Resounding Joy Inc	\$26,942	\$323,782	8.32%
Reuben H. Fleet Science Center	\$352,986	\$8,332,886	4.24%
SACRA/PROFANA	\$15,042	\$114,916	13.09%
San Diego Air & Space Museum	\$294,897	\$6,688,677	4.41%
San Diego Archaeological Society	\$32,518	\$291,173	11.17%
San Diego Art Institute	\$48,304	\$514,268	9.39%
San Diego Automotive Museum	\$56,795	\$583,658	9.73%
San Diego Ballet	\$48,322	\$514,499	9.39%
San Diego Center for Jewish Culture	\$137,311	\$2,246,698	6.11%
San Diego Children's Choir	\$62,497	\$659,334	9.48%
San Diego Civic Youth Ballet	\$77,077	\$864,097	8.92%
San Diego Comic Convention	\$489,802	\$21,611,777	2.27%
San Diego Dance Theater	\$45,419	\$440,419	10.31%
San Diego Early Music Society	\$14,986	\$133,210	11.25%
San Diego Guild of Puppetry, Inc.	\$12,887	\$102,957	12.52%
San Diego Hall of Champions	\$115,775	\$1,768,344	6.55%
San Diego Historical Society	\$165,335	\$2,440,795	6.77%
San Diego Junior Theatre	\$83,822	\$964,211	8.69%
San Diego Master Chorale	\$12,923	\$103,293	12.51%
San Diego Model Railroad Museum	\$70,057	\$763,512	9.18%
San Diego Museum Council, Inc.	\$23,368	\$209,884	11.13%
San Diego Museum of Art	\$366,448	\$10,221,790	3.58%
San Diego Museum of Man	\$236,273	\$4,169,010	5.67%
San Diego Musical Theatre	\$87,466	\$1,208,091	7.24%
San Diego Opera Association	\$397,566	\$10,675,879	3.72%
San Diego Pro Arte Voices	\$9,041	\$63,102	14.33%
San Diego Repertory Theatre	\$203,636	\$3,643,439	5.59%
San Diego Society of Natural History	\$426,696	\$12,648,056	3.37%
San Diego Symphony Orchestra Association	\$490,787	\$22,182,748	2.21%
San Diego Watercolor Society	\$33,848	\$305,865	11.07%
San Diego Winds	\$17,511	\$137,721	12.72%
San Diego Writers, Ink	\$20,880	\$216,075	9.66%
San Diego Young Artists Music Academy	\$11,741	\$99,700	11.78%
San Diego Youth Symphony and Conservatory	\$136,783	\$1,866,524	7.33%
Save Our Heritage Organisation	\$89,925	\$1,253,724	7.17%
Scripps Ranch Theatre	\$26,833	\$293,432	9.14%
So Say We All	\$10,024	\$76,561	13.09%
Space 4 Art	\$35,184	\$320,794	10.97%
Spreckels Organ Society	\$36,538	\$336,091	10.87%
The AjA Project	\$43,013	\$411,484	10.45%
The New Children's Museum	\$199,162	\$3,521,850	5.66%
The PGK Project, Inc.	\$14,318	\$150,300	9.53%
Theater and Arts Foundation of San Diego County	\$454,036	\$15,091,433	3.01%
transcenDANCE Youth Arts Project	\$21,781	\$178,909	12.17%
Veterans Memorial Center, Inc	\$20,541	\$194,482	10.56%

**FY19 Organizational Support Program (OSP)
Awards Recommended by Commission 04-27-18**

FY19 Organizational Support Program (OSP) Applicant	FY19 Award Recommendation	Applicant AOI	% of AOI
Villa Musica	\$78,490	\$884,799	8.87%
Westwind Brass	\$5,824	\$47,178	12.24%
Write Out Loud	\$12,269	\$90,299	13.59%
Young Audiences of San Diego	\$139,098	\$2,084,061	6.67%
Youth Philharmonic Orchestra	\$8,397	\$62,225	13.50%
\$10,065,625			

ORGANIZATIONAL SUPPORT PROGRAM - Factors Affecting Award Amounts

Funding awards for the Organizational Support Program (OSP) are calculated using two categories of factors: 1) those factors that are related to an individual proposal, and 2) those factors that affect the entire population of proposals.

The amount of funding each proposal can be awarded is dependent on **ALL** the factors.

1) Factors related to each individual proposal:

- **ANNUAL OPERATING INCOME (AOI)** – An algorithmic scale is used to create a maximum allowable percentage based on the size of an organization’s operating budget. Smaller budget organizations are eligible for higher percentages of their AOIs than larger budget organizations.
- **PROPOSAL RANK** - A higher rank given to a proposal by the evaluation panel leads to a higher award.

2) Factors that affect the entire pool of proposals:

- **AMOUNT OF MONEY AVAILABLE TO DISTRIBUTE** - More money available for distribution can lead to higher award amounts per proposal.
- **NUMBER OF PROPOSALS RECOMMENDED FOR FUNDING AWARDS** - A greater number of proposals recommended to receive funding awards stretches the amount of money available to distribute more thinly across all the applicants.
- **THE COLLECTIVE ANNUAL OPERATING INCOMES OF ALL APPLICANTS** - The greater the collective AOI, the more thinly the amount of money available to distribute must be spread to support organizations relative to the size of their budgets.

Example: The ABC Historical Society has an Annual Operating Income of \$1,936,835 and received a rank of 3+. Their recommended funding award is \$112,153. If their rank had been a 4 and all other factors remained equal, their recommended funding award would be \$127,280.