

DATE ISSUED: May 30, 2000

REPORT NO. 00-114

ATTENTION: Honorable Mayor and City Council

SUBJECT: Fiscal Year 2001 Funding Recommendations for Arts and Culture

### SUMMARY

#### **THIS IS AN INFORMATIONAL REPORT FOR DELIBERATION DURING THE FISCAL YEAR 2001 PROPOSED BUDGET HEARINGS.**

Issues - Should the Council approve the City Manager's proposed Fiscal Year 2001 Special Promotional Programs budget recommendations for the Arts and Culture Organizational Support Program, Festivals and Celebrations, Neighborhood *PART*nerships Program, Public Art Fund and the Arts and Culture Department's Administrative budget?

City Manager's Recommendations - Allocate \$8 million for Fiscal Year 2001 Arts and Culture Organizational Support Program (OSP) contracts to ninety (90) arts and cultural organizations; allocate \$580,431 for Fiscal Year 2001 Festivals and Celebrations contracts to forty-four (44) nonprofit organizations; allocate \$226,750 for the Neighborhood *PART*nerships Program; allocate \$131,488 for the Public Art Fund and; allocate \$686,617 for the Arts and Culture Department's Administrative budget.

At the City of San Diego Commission for Arts and Culture (Commission) regular meeting on May 26, 2000, the Commissioners unanimously adopted the above recommendations for Fiscal Year 2001 funding distribution.

Fiscal Impact - The City Manager's Proposed Fiscal Year 2001 Budget for Arts and Culture is \$9,625,286.

### BACKGROUND

In its twelfth year of existence, the Commission has grown significantly. In the beginning, the primary function of the fifteen-member Commission was to develop a process for evaluating and recommending funding for arts and culture organizations to the City Manager, Mayor and City

Council. Today, the Commission plays a key leadership role in promoting the stability, development and vitality of the city's arts and culture community. Over the years, the Commission has developed innovative programs, policies and services that are recognized as models throughout the United States.

Balancing the diverse interests of the arts and culture community is a unique challenge. The Commission is responsible for making arts and culture programs and activities accessible to all of San Diego citizens while simultaneously gaining City Manager, Mayor and City Council support for increased funding and policies that foster cultural development. The Commission works diligently to deliver a clear message that arts and culture benefit the local economy and impact the city's quality of life and reputation as an international cultural destination.

### DISCUSSION

When the Commission was established, the first objective was to design a fair and equitable process to recommend how arts and culture organizations would be funded. However, distribution of financial resources alone did not satisfy the Commission's goal to promote the stability and development of the arts and culture community. Promoting the professional management, fiscal accounting and board development was also important. Over the years, the Commission has made significant improvements to the review and funding process. Today, the Commission monitors and evaluates projects, conducts site visits and provides technical assistance in strategic planning, board development and fiscal management. The Commission's continued efforts to improve the fiscal solvency of funded organizations has resulted in a direct economic benefit to the city.

### **Approve funding to the Organizational Support Program**

This year, 90 applications to the Organizational Support Program (OSP) requesting over \$9 million were submitted to the Commission Advisory Panels (CAPs) for review, following an evaluation by staff for completeness and compliance. Two CAPs comprising Commissioners and community members, with expertise in nonprofit management and in the fields of arts and culture, reviewed proposals grouped according to size of operating budget, and ranked them according to the criteria published in the guidelines. The evaluation included final performance reports and a history of panel comments from the previous years.

As part of a two-step process, each applicant was voted on individually and the resulting score determined the applicant's ranking within its OSP level. Organizations received notice of rank and were given the opportunity to appeal the rank in a formal hearing. Funded arts and culture organizations leveraged nearly \$90 million in operating expenditures during 1999, employed 3,628 full-time jobs, attracted over five million admissions including 1.9 million from out-of-town visitors.

The Commission has recommended the allocations for the Arts and Culture Organizational Support for FY 2001 to organizations using the methodology in Attachment 1. Attachment 2 is a summary of OSP and Special Project funding distribution based on the Commission's recommendation.

**Approve the recommendation to provide the following OSP Special Project funding**

During the review process, a number of proposals were referred to the Funding Committee for additional review. Because of the nature of these organizations and a long history of City support, the Funding Committee reviewed special project proposals from the San Diego Symphony Orchestra, Centro Cultural de la Raza, Southeastern Community Theatre and San Diego Museum Council (formerly the Inter-Museum Promotional Council). The following funding recommendations are tied to specific, measurable results:

San Diego Symphony Orchestra in the amount of \$375,000 in contracted services to support administrative and artistic salaries.

Centro Cultural de la Raza in the amount of \$25,000 in contracted services to partially fund the Managing Director position.

Southeastern Community Theatre in the amount of \$5,000 in contracted services to fund the Artistic Director.

San Diego Museum Council in the amount of \$11,000 in contracted services to support the promotional activities of the organization.

**Approve funding to Neighborhood PARTnerships and Festivals and Celebrations:**

Since its inception in 1992, the Neighborhood Arts Program (NAP) has enabled the delivery of arts and cultural programs and services which enrich the quality of life in San Diego neighborhoods. Through a request for proposals process, arts and cultural organizations, artists in partnership with community service organizations and other appropriate non-profit groups compete for funding in two categories: **Neighborhood PARTnerships (PARTnerships)**, and **Community and Neighborhood Festivals and Celebrations**.

**PARTnerships** gives priority to projects in areas where residents are exposed to high rates of violence, gang and drug activity and other negative environmental factors such as graffiti and urban blight. With an emphasis on activities occurring during the critical after-school hours of 2 - 6:00 p.m., these projects provide structured environments and safe havens for youth and their families. **PARTnerships** projects also serve as catalysts for community development by building innovative working relationships between diverse sectors, such as social service agencies, schools and businesses.

**Community and Neighborhood Festivals and Celebrations** involve communities in the development of street fairs, parades and other civic events which enhance neighborhood pride, identity and unity. This funding also support regionally significant sporting events which have the ability to demonstrate a measurable impact on Transient Occupancy Tax receipts.

Over the past six years, community demand for NAP programming has grown beyond the eleven (11) neighborhoods where funding was originally targeted. In FY 99, with the support of a \$100,000 two-year grant from the National Endowment for the Arts, the program was launched city wide. Today, **PARTnerships** projects serve dozens of neighborhoods in nearly every City Council district.

Festivals and Celebrations, became part of the Commission's administrative oversight in FY 99 with the funding of twenty-seven (27) street fairs, parades and special events. Effective community outreach and increased technical assistance have contributed to the growth of this program with the addition of seventeen (17) new contractors recommended in FY 2001, seven (7) of which were first-time applicants (See Attachment 3).

**Approve funding to the Public Art Fund:**

The Public Art Program funds permanent and temporary public artworks, management and maintenance of the City's collection of art, and the San Diego Regional Artists Directory.

Other components of the program reflected in the Arts and Culture Department budget include policy development, planning, artist competition coordination, technical assistance, information dissemination and development of legislative incentives encouraging public art projects for other public agencies and non-profit organizations.

Fifty-five (55) projects have been completed over the last eight years and forty-four (44) other projects are in progress. These projects have resulted in commissions to eighty-five (85) different artists. In addition, a total of sixteen (16) local and national honors have been received for public art projects and capital improvement projects with artists on design teams managed by the Commission since 1988.

The Public Art Fund will support a professional consultant to inventory all City-owned art and artifacts and to develop a collections management system. Funds also will be used for services in support of on-going public art in neighborhood projects, immediate maintenance needs and the Regional Artists Directory. Support also will be provided for the first phase of San Diego Artworks, a new initiative established to purchase existing artworks by San Diego artists for placement in City of San Diego public facilities. Phase I involves the identification of potential locations for the placement of artwork, in consultation with City staff.

**Approve funding to support the Arts and Culture Department's Administration**

Arts and Culture Department's administration supports the many programs which serve the non-profit organizations that educate and expose the public to a rich and diverse range of artistic and cultural activities. Additional funding from a diversity of public and private sources enables the Commission to implement a broad range of effective support programs including:

**Technical Assistance Program (TAP)** - The TAP is a established service designed to address the professional development needs of arts and culture organizations and individual artists. At little or no cost, nearly every organization currently funded by the Commission has participated in the TAP. In FY 2001, the TAP will provide select community arts practitioners with support for technical assistance consultant services. A series of educational training activities that include seminars and workshops focusing on nonprofit arts management will also be offered. A revamped site visit process will result in significantly more OSP and NAP contractors receiving individual technical assistance consultations with Commission staff and board members.

**Special Initiatives** - A \$25,000 Challenge Grant from the California Arts Council helped launch *Art + Sol*, a cultural tourism partnership between the Commission and the San Diego Convention and Visitors Bureau. The campaign, which is an extension of the award-winning “California: Culture’s Edge” initiative, markets San Diego’s cultural assets to tourists as well as residents. A \$120,000 combined contribution from twelve (12) leading arts and culture institutions and an American Express sponsorship will help support the publication of two 32-page brochures, print advertising and the development of the *Art + Sol* web site.

The Commission also supports arts in education through its funding programs that encourage contractors to provide educational programs and services to audiences and visitors. In FY 2000, the Superintendent of San Diego City Schools enlisted the guidance of the Commission to develop an unprecedented arts and education plan. This plan will insure that arts and culture is an integral part of the public school curriculum and that Commission contractors are active participants in delivering arts and culture programs and services to students of all ages.

#### ALTERNATIVES

Do not approve these specific recommendations.

Respectfully submitted,

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Victoria L. Hamilton  
Executive Director  
Commission for Arts and Culture

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Approved: Bruce A. Herring  
Deputy City Manager

Note: Attachments available for review in the Office of the City Clerk.

#### Attachments:

1. Organizational Support Funding Methodology
2. OSP Funding Recommendations Based on Commission’s Proposed Allocations
3. Community and Neighborhood Celebrations and Festivals Funding Recommendations