



THE CITY OF SAN DIEGO

DATE ISSUED: April 30, 2008 REPORT NO. 08-067

ATTENTION: Budget Review Committee
Agenda of May 1, 2008

SUBJECT: Fiscal Year 2009 Arts and Culture Funding Recommendations

REQUESTED ACTION

This is an informational report for deliberation during the Fiscal Year 2009 proposed budget hearings.

SUMMARY

Mayor Jerry Sanders' budget allocated funding to various line items with some discretion left up to the City of San Diego Commission for Arts and Culture (Commission). At the Commission's regular meeting on April 18, 2008, the Commission unanimously approved their recommended distribution of funds.

BUDGET RECOMMENDATIONS

Program	Recommendation
Administration	\$945,855
Organizational Support Program (OSP)	\$6,449,183
Creative Communities San Diego (CCSD)	\$425,118
Public Art Fund	\$30,000
Mayor/Council Allocations	\$220,000
Total Proposed Budget	\$8,070,156

The recommended distribution for the \$8,070,156 budget follows:

- Allocate \$945,855 to the Arts and Culture Department's Administrative budget (an increase of \$30,082 to cover technology costs related to the California Cultural Data Project and standard increases in other administrative expenses);
- Allocate level funding in the amount of \$6,449,183 for Fiscal Year 2009 Arts and Culture Organizational Support Program (OSP) contracts to 76 arts and culture organizations;
- Allocate level funding in the amount of \$425,118 for Fiscal Year 2009 Creative Communities San Diego (CCSD) contracts to 46 nonprofit organizations;

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- Allocate \$30,000 for the Public Art Fund; and
- Allocate \$220,000 to the Mayor/City Council Allocations.

FISCAL IMPACT

The Proposed Fiscal Year 2009 Budget for Arts and Culture is \$8,070,156.

BACKGROUND

The Mayor delivered his budget to the City Council on April 14, 2008. The Mayor's budget allocated funding to various line items with some discretion left up to the Commission. At the Commission's regular meeting on April 18, 2008, Commissioners unanimously approved the distribution of funds.

The work of the Commission has evolved since its inception in 1988. In the beginning, the primary function of the fifteen-member Commission was to develop a process for evaluating applications 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 Mayoral 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. Supporting professional management, fiscal accounting, board development, education and outreach programs, and initiatives to encourage the arts and culture sector to better serve all of San Diego's diverse communities are also key factors.

Annually, the Commission monitors and evaluates contracts, 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 have resulted in a direct economic benefit to the city. Organizations funded under the Organizational Support Program (OSP) leveraged more than \$148 million in operating expenditures during 2007, helped generate \$492 million in cultural tourist spending and provided 5,229 job opportunities. In addition they provided educational programming to over 750,000 children and adults at community and school sites, offered more than 4,000 free arts and culture events and attracted nearly 2 million out-of-town visitors.

Organizational Support Program (OSP)

This year, the Commission received 79 (seventy-nine) OSP applications requesting over \$12 million. The Commission Advisory Panels (CAP) reviewed them, following an evaluation by staff for completeness and compliance. Two CAPs, comprised of Commissioners and community members with expertise in nonprofit management and in the fields of arts and culture, reviewed and ranked the

proposals according to the published criteria. Applicants were ranked in a two-step process: 1) each panel member ranked each application individually and 2) the ranks were averaged, with the resultant scores determining the applicant's ranking within its OSP level. Organizations received a notice of their rank and the panel's comments and had an opportunity to appeal the rank in a formal hearing.

The Commission recommends the allocation of FY 2009 OSP funding to seventy-six (76) organizations. Three of the seventy-nine (79) applicants are not recommended for funding. Attachment 1 (Organizational Support Program Funding Methodology and Most Frequently Asked Questions) is an outline of the methodology the Commission uses to determine the funding recommendations. Attachment 2 is a summary spreadsheet of OSP funding distributions based on the Commission's recommendation.

Creative Communities San Diego

Beginning with Fiscal Year 2007, the Commission merged two of its allocations programs, Festivals and Celebrations and Neighborhood Arts Program, into the Creative Communities San Diego Program (CCSD). This program provides project-based financial support for festivals, street fairs, parades and other civic events that enhance neighborhood pride, identity and unity and for projects that make arts and culture activities accessible to the community, increasing participation in arts and culture and making arts and culture more central to people's lives.

The Commission recommends the allocation of FY2009 CCSD funding to forty-six (46) organizations. Two of the forty-eight (48) applicants are not recommended for funding. Attachment 3 (Creative Communities San Diego Funding Methodology and Most Frequently Asked Questions) is an outline of the methodology the Commission uses to determine the funding recommendations. Attachment 4 is a summary spreadsheet of CCSD funding distributions based on the Commission's recommendation.

Public Art Program

The Commission advises on the administration of the Public Art Program including the implementation of Council Policy 900-11 (2% for art in eligible Capital Improvement Program (CIP) projects); implementation of Ordinance 19280 (1% for art and/or cultural space in private development); and the management of the City's art collection. The Commission advises on the development of public policy related to public art, collections management and contracting with artists, as well as guiding public art planning, education and outreach.

The public art projects managed by Commission staff are funded by a percentage of eligible CIP project budgets and selected Redevelopment Agency project budgets. The Public Art Fund serves to provide funding for extraordinary artwork conservation and maintenance efforts, grant matching, special outreach initiatives, and consultants and services related to the implementation of the 2004 Public Art Master Plan.

In Fiscal Year 2008, Commission staff concluded a two-year drafting phase for recommended amendments to Council Policy 100-02 City Receipt of Donations and San Diego Municipal Code Chapter 2, Article 6, Division 7. Additionally, Commission staff initiated the development of reports on making the City's art collection more accessible to people with disabilities and older adults, guidelines for the City's expenditure of developers' public art "in-lieu" fees, and collections management guidelines. In Fiscal Year 2008, Commission staff continued to manage twelve contracts with individual artists, added three new public artworks to the City's collection, and managed the restoration of three public artworks. Commission staff also continued to provide professional arts

administration and public art project management services to other agencies such as Caltrans and the Centre City Development Corporation.

Administration and Special Initiatives

The Commission's administrative budget supports many programs that serve non-profit organizations which educate and expose the public to a rich and diverse range of artistic and cultural activities. Additional resources from a variety of public and private sources enables the Commission to implement a broad range of effective programs.

▪ California Cultural Data Project

In FY2009, the Commission will join more than twenty (20) other California arts and culture funding organizations for the first year of implementation of the California Cultural Data Project. This project will allow applicants to submit their financial and some programmatic data online and will also allow them to generate reports in which they can benchmark themselves against other organizations in their region, the state, and eventually the country. This project is being implemented in direct response to requests from our contractors for such an innovation in our application process.

▪ Contractor Satisfaction Surveys

Contractor Satisfaction Surveys for FY2007 continued to show high marks for the Commission. Ninety-seven (97) percent of respondents indicated the Commission's workshops and the overall responsiveness of staff, were "good" or "excellent," one hundred (100) percent of respondents indicated that individual assistance provided by staff was "good" or "excellent," and ninety-nine (99) percent of respondents indicated that their overall satisfaction with the Commission was "good" or "excellent." The only area where respondents were significantly dissatisfied with the Commission was in the area of user friendliness of forms where only eighty-eight (88) percent of respondents indicated a "good" or "excellent" response. It is anticipated that participation in the California Cultural Data Project (see above) will greatly improve the Commission's scores in this area.

▪ Diversity Initiative

In FY2008, the Commission continued the implementation of the Diversity Initiative, a multi-year, multi-dimensional project developed to encourage and train arts and culture organizations to become more inclusive as a strategy for enhancing long-term stability and vitality. The ultimate goal of the Initiative is to ensure access and participation as well as the ongoing, vibrant presence of arts and culture in the life of San Diego communities.

▪ Arts and Culture Working Group

The Commission also continues its partnership with the San Diego Foundation's *Arts and Culture Working Group*. Designed to increase private sector funding resources for the arts and culture community, this board of community volunteers, led by a full time staff person, is charged with engaging and building partnerships with fund advisors, local, regional and national foundations and the donor community at large.

▪ San Diego Art + Sol

The Commission continues its participation in *San Diego Art + Sol*, its successful cultural tourism partnership with the San Diego Convention and Visitors Bureau (ConVis). This advertising and promotions campaign markets San Diego's cultural assets to tourists and supports the *San Diego*

Art + Sol website which includes calendar listings, cultural itineraries and links to all of the region's cultural attractions.

- San Diego Regional Chamber of Commerce's Arts, Business & Culture Committee
The Commission continues to provide a leadership role in the San Diego Regional Chamber of Commerce's Arts, Business & Culture Committee which promotes strong connections and offers an essential link between arts and culture organizations and the business community. It provides a perspective of the economic value of arts and culture and raises awareness within the San Diego business community.
- Recognition of Excellence
In FY2008, the Commission once again was recognized for its outstanding programs and services through grants from the National Endowment for the Arts, Americans for the Arts and the California Arts Council.

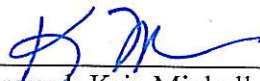
ALTERNATIVES

Do not approve these specific recommendations.

Respectfully submitted,



Victoria L. Hamilton
Executive Director
Commission for Arts and Culture



Approved: Kris Michell
Deputy Chief Operating Officer
Community and Legislative Services Department

Attachments:

1. Organizational Support Program Funding Methodology and Frequently Asked Questions
2. Organizational Support Program Funding Recommendations Based on Commission's Proposed Allocations
3. Creative Communities San Diego Funding Methodology and Frequently Asked Questions
4. Creative Communities San Diego Funding Recommendations Based on Commission's Proposed Allocations