GFTA and City Administrator Responses as requested to Civil Grand Jury Report titled "Where There's Smoke..."

A. Findings

F1 (page 8) **The City, through SFAC and GFTA, devotes public resources to art and cultural programs in more generous amounts per capita, than any other municipality in the United States**.
Response: A comprehensive nationwide survey, which would be time-consuming and expensive, has never been done to our knowledge. Never the less, after many years of reviewing data in a less formal way we can say with confidence that SF does devote more per capita to the **private non-profit arts** (i.e., those not having formal governmental ties and independently governed by a duly constituted board of directors) than any other city of its size.

F. Findings

F18 (page 15) **Art Maintenance is more appropriately an operating rather than a capital cost as it is a day-to-day responsibility of the SFAC.**
Response from GFTA and City Administrator: The respondent neither agrees nor disagrees with the finding, believing that the determination of what is or is not a capital expense should be left to the discretion of the Department and Mayor's Office.

F19 (page 16) **Art Maintenance is inappropriately treated as a capital expense by City government**.
Response from GFTA and City Administrator: Please see response to F18 above.

G. Recommendations

R8 (page 16) **Human and material resources adequate to the task be devoted to the rapid completion of the inventory, appraisal, and cataloging of the Collection**.
Response from GFTA and City Administrator: This recommendation is in the purview of the Art Commission and the Mayor's budget staff.

R9 (page 16) **Re-designate maintenance and conservation of the Collection as an operating expense of the SFAC rather than a capital budget item**.
Response from GFTA and City Administrator: Please see response to R8 above.

R10 (page 16) **Redirect and dedicate $1 million, over two years, of the Grants for the Arts/Hotel Tax Fund on a one-time basis to the Arts Commission to fund the inventory, maintenance, storage, de-accessioning, exhibition and installation of the *existing* Collection located in the City, at San Francisco International Airport, and at other city properties.**
Response from GFTA and City Administrator: The Recommendation should not be implemented for the following reasons:
1. It is inappropriate for one City agency to subsidize the unrelated costs of the work of another City agency. It may be that it is appropriate for the Arts Commission to request that funds be budgeted for the Collection, but these funds should not come from Hotel Tax already designated for a specific use, e.g., GFTA, the War Memorial, etc. GFTA is already underfunded by more than $3M.
2. An important part of GFTA's mission is to be "consistent, stable source of funding" for San Francisco's nonprofit arts organizations, and as such it is essential to over 200 organizations annually. It is impossible to "redirect and dedicate" any portion over a two-year period (much less

a portion amounting to over 11% of the grant budget) without compromising the mission of GFTA and destabilizing the arts community.

R11 (page 17) **Designate Hotel Tax Funds from the initial $1 million for the development of educational print, on-line and phone app materials to showcase the existing Civic Art Collection located in the City, at San Francisco International Airport, and at other City properties to make the Collection more accessible to City residents and visitors**.
Response from GFTA and City Administrator: Implementing this recommendation may be worthwhile but, for the reasons stated above, funding cannot come from GFTA's scarce resources.

R12 (page 17) **Designate Hotel Tax Fund monies of 1% of the value of the Collection (up to $900,000) on an annual basis for the maintenance and care of the Collection.**
GFTA and City Administrator Response: There is no objection to this with this caveat: the money should come from the unallocated (General Fund) portion of the Hotel Tax, not from scarce Hotel Tax dollars already designated for other specified uses.

C. Findings

F38 (page 28) **GFTA funds the San Francisco Symphony for over $600,000 annually for operating expenses.**
GFTA and City Administrator Response: The respondent agrees with this finding.

D. Recommendations
R23 (page 29) **Redirect Hotel Tax Fund money allocated to the SFS by GFTA to the SFAC.**
GFTA and City Administrator Response: This recommendation will not be implemented. General operating support funding is allocated to SFS by GFTA for the following purpose: To produce a season of orchestral concerts in such a manner as to favorably advertise and publicize the City of San Francisco. This purpose is separate and apart from any funding SFS receives from the Arts Commission or any other funding source and should not be conflated with or substituted for funds for any other purpose.