



sfac san francisco
arts commission

FY 2027 & FY 2028 Proposed Budget

Arts Commission Meeting
February 2, 2026

Canopy of Sky, 2025, by Ned Kahn. Photo by Ethan Kaplan

Presentation Topics

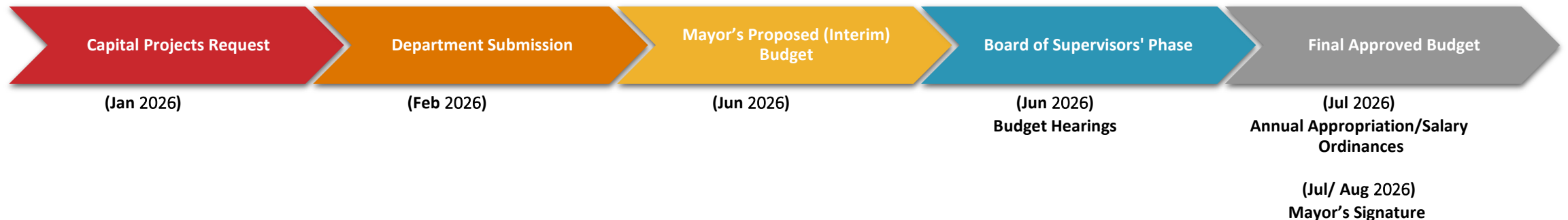
- Budget Timeline
- Budget Climate
- Mayor's 2026 Budget Priorities
- Budget Instructions
- Budgeted Revenues
- Budgeted Expenditures
- Capital Budget Requests



Arrival, 2025, by Tomie Arai; SFMTA, Photo by Ethan Kaplan

Budget Timeline

- Capital Projects Request (Jan 2026)
- Department Submission (Feb 2026)
- Mayor's Proposed (Interim) Budget (Jun 2026)
- Board of Supervisors' Phase
- Budget Hearings (Jun 2026)
- Final Approved Budget
- Annual Appropriation/Salary Ordinances (Jul 2026)
- Mayor's Signature (Jul / Aug 2026)



Budget Climate

Budget Deficit of \$936M over next two FYs

- Expenditure growth continues to outpace revenue growth
- Salary and benefits costs projected to grow from \$4.481B in current year (FY26) to \$5.033B in FY28
- Revenue loss due to H.R. 1 exceeds \$300M over two years
 - Additional revenue uncertainty related to Federal grant disbursement



Pacific Transit, 2024, by Jesse Schlesinger. Photo by Ethan Kaplan

Mayor's 2026 Budget Priorities

- Making the City more affordable and livable for families, strengthening our social safety net
- Ensuring safe and clean streets
- Stabilizing reliable public transit
- Transforming our health and homelessness systems
- Delivering excellent core city services with modern systems and structures
- Strengthening the City's economy



Promissory Notes, 2022, by Mildred Howard. Photo by Ethan Kaplan Photography

Budget Instructions

Mayor's Citywide Budget Instructions

- Reorient City spending towards core priority services
- Continue to reduce structural deficit
- Invest in long-term operational efficiencies

Mayor's Citywide Budget Instructions: Programming & Structure

- Eliminate discretionary programs
- Restructure departments around current staffing
- Reduce Citywide workorders/overhead by 10%
- Shift duplicative or common services toward a centralized model



Bow, 2022, by Walter Hood. Photo by Ethan Kaplan Photography

Budget Instructions, cont'd

Citywide Spending Reduction Directive

- \$400M in ongoing General Fund spending reductions through:
 - Restructured service delivery
 - Targeted program elimination

ART Budget Reduction Directive

- Reduce ongoing General Fund spending by \$400,000 annually



Bow, 2022, by Walter Hood. Photo by Ethan Kaplan Photography

Budgeted Revenues

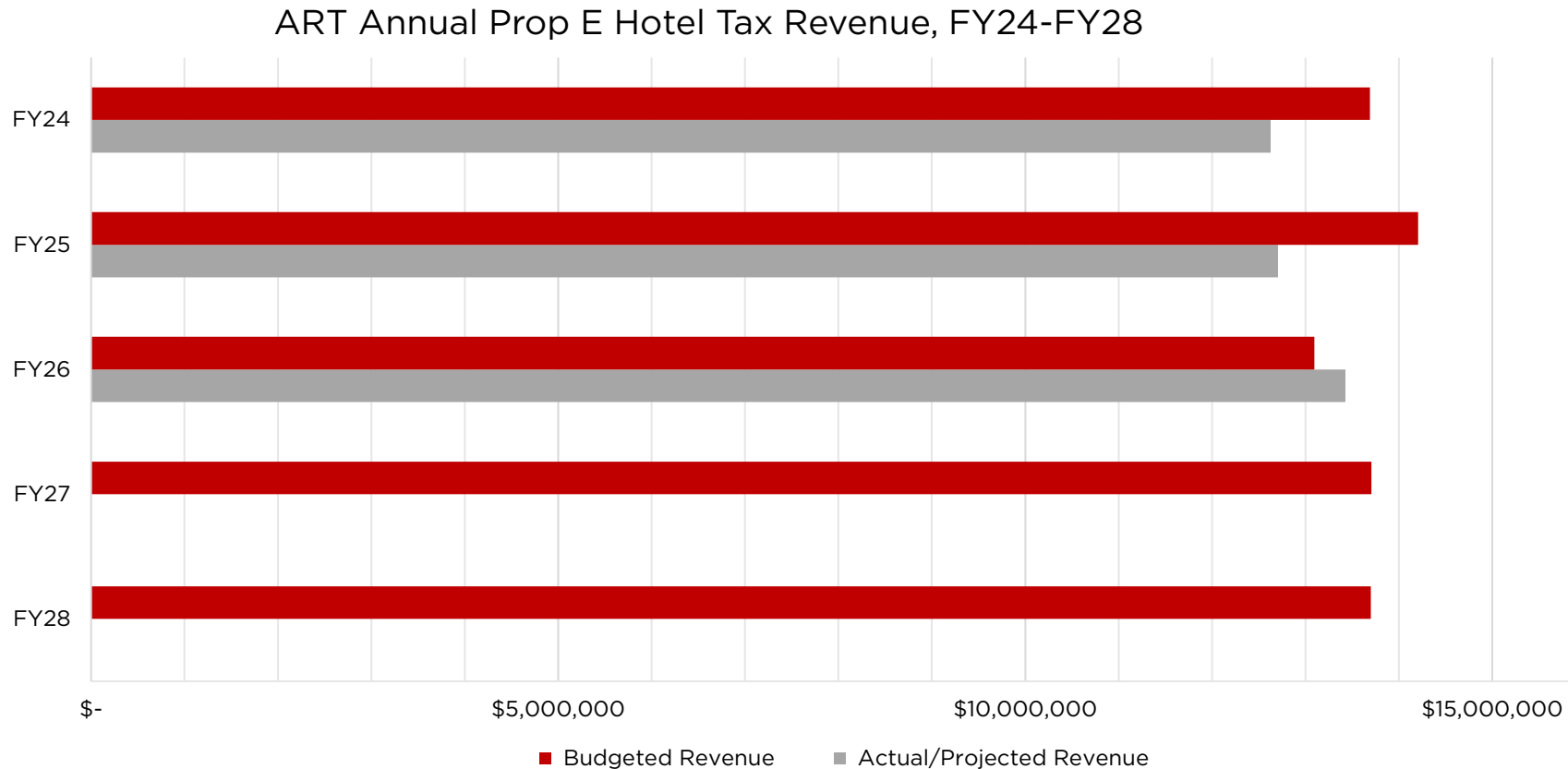
ART Revenues by Funding Source with Capital Requests (in Millions)			
	FY26	FY27	FY28
Hotel Tax (Prop E Annual Revenue)	13.09	13.70	13.70
Hotel Tax (One-Time)	0.70	0.18	-
Symphony Charter Allocation	4.52	4.56	4.64
General Fund	1.97	1.58 ^[1]	1.74 ^[1]
Interdepartmental Services	0.92	0.82	0.94
Charges for Services, Grants, and Other	1.82	1.79	1.79
Total Operating Budget	23.02	22.63	22.81
Cultural Centers - Capital	0.49	1.93	5.34
Civic Collection - Capital	1.04	2.62	1.89
Total Capital Budget	1.53	4.55 ^[2]	7.23 ^[2]
Total Budget - Operating + Capital	24.55	27.18	30.04

^[1] FY27 and FY28 include General Fund target cuts

^[2] FY27 and FY28 reflect capital requests for the Cultural Centers and CivicArt Collection

Hotel Tax Performance

- For the first time since FY23, Hotel Tax collections anticipated to exceed budget in FY26
- Hotel Tax projected to grow modestly from FY26 to FY27, then remain flat in FY28



Budgeted Expenditures

ART Expenditures by Funding Source and Program with Capital Requests (in Millions)			
	FY26	FY27	FY28
Hotel Tax Supported Programs (Community Investments)	13.79	13.88	13.70
Symphony Charter Allocation ^[1] (SF Symphony)	4.52	4.56	4.64
General Fund Supported Programs (Administration, Galleries, Civic Art Collection, and Art Vendors)	1.97	1.58 ^[2]	1.74 ^[2]
Interdepartmental Work Order Supported Programs ^[3] (Community Investments and Public Art)	0.92	0.82	0.94
Fee Supported Programs (Civic Design Review)	0.15	0.12	0.12
Grant and Other Supported Programs (Administration, Galleries, and Public Art)	1.67	1.67	1.67
Total Operating Budget	23.02	22.63	22.81
Cultural Centers - Capital	0.49	1.93	5.34
Civic Collection - Capital	1.04	2.62	1.89
Total Capital Budget	1.53	4.55 ^[4]	7.23 ^[4]
Total Budget - Operating + Capital	24.55	27.18	30.04

^[1] Per Charter Section 16.106

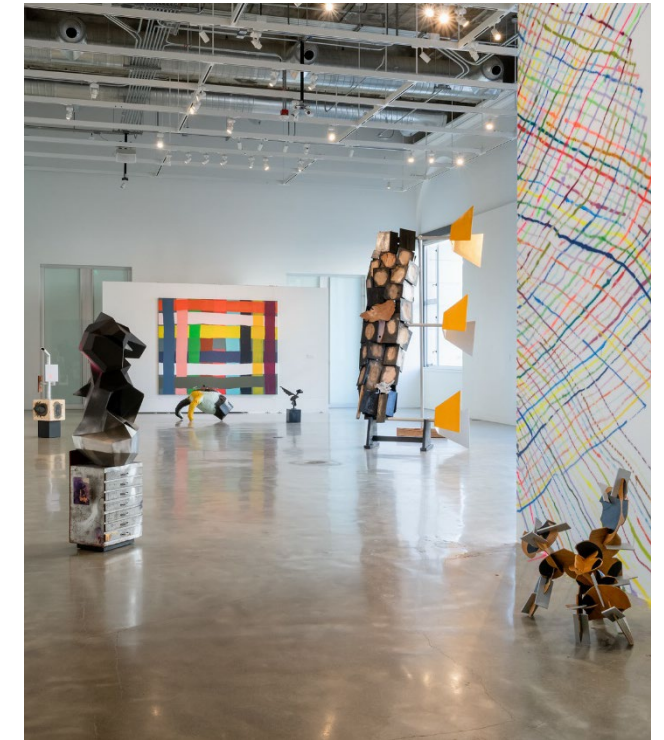
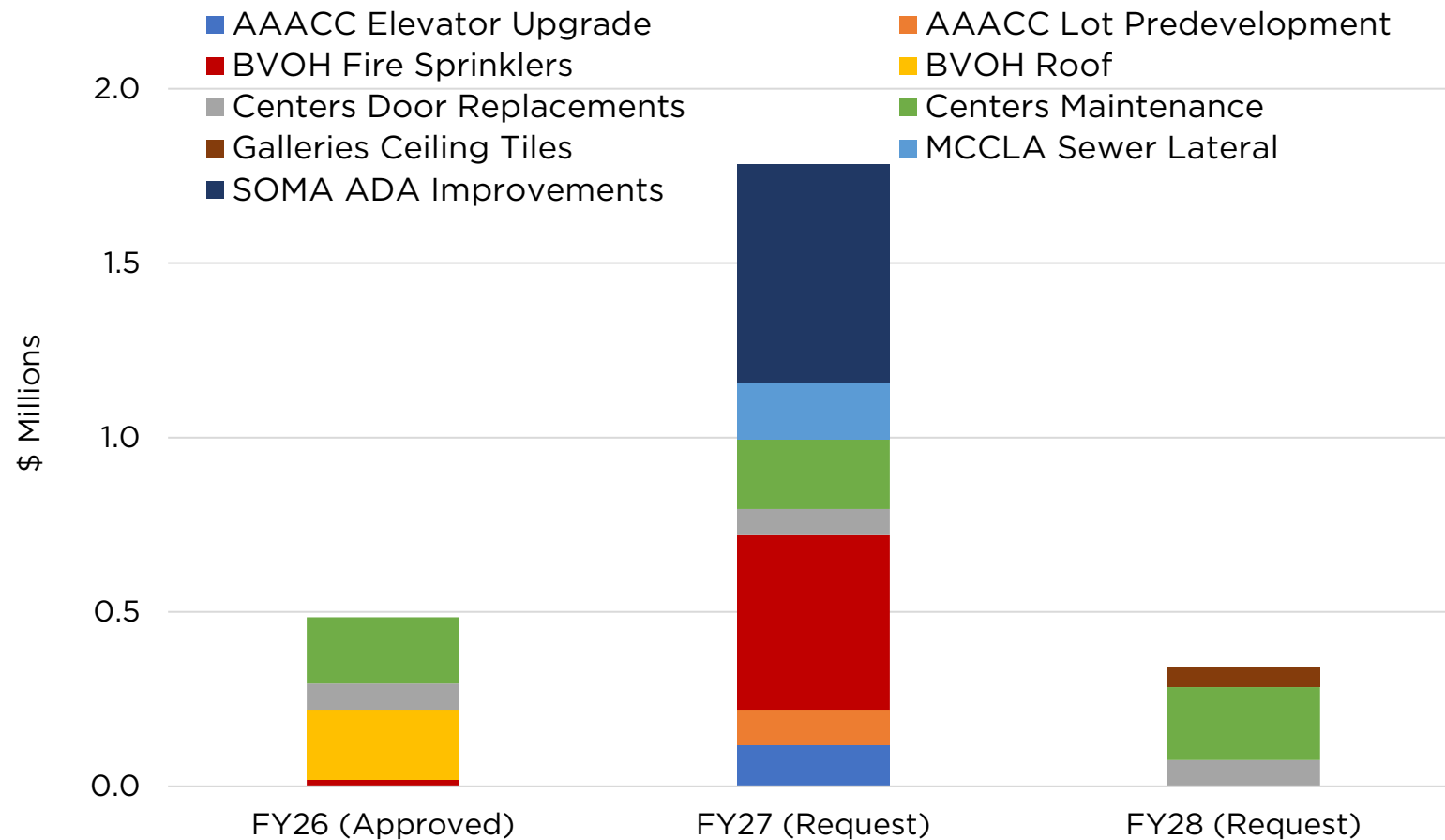
^[2] FY27 and FY28 include General Fund target cuts

^[3] Public Art & Civic Collection figures exclude Art Enrichment funds budgeted in other departments

^[4] FY27 and FY28 reflect capital requests for the Cultural Centers and Civic Art Collection

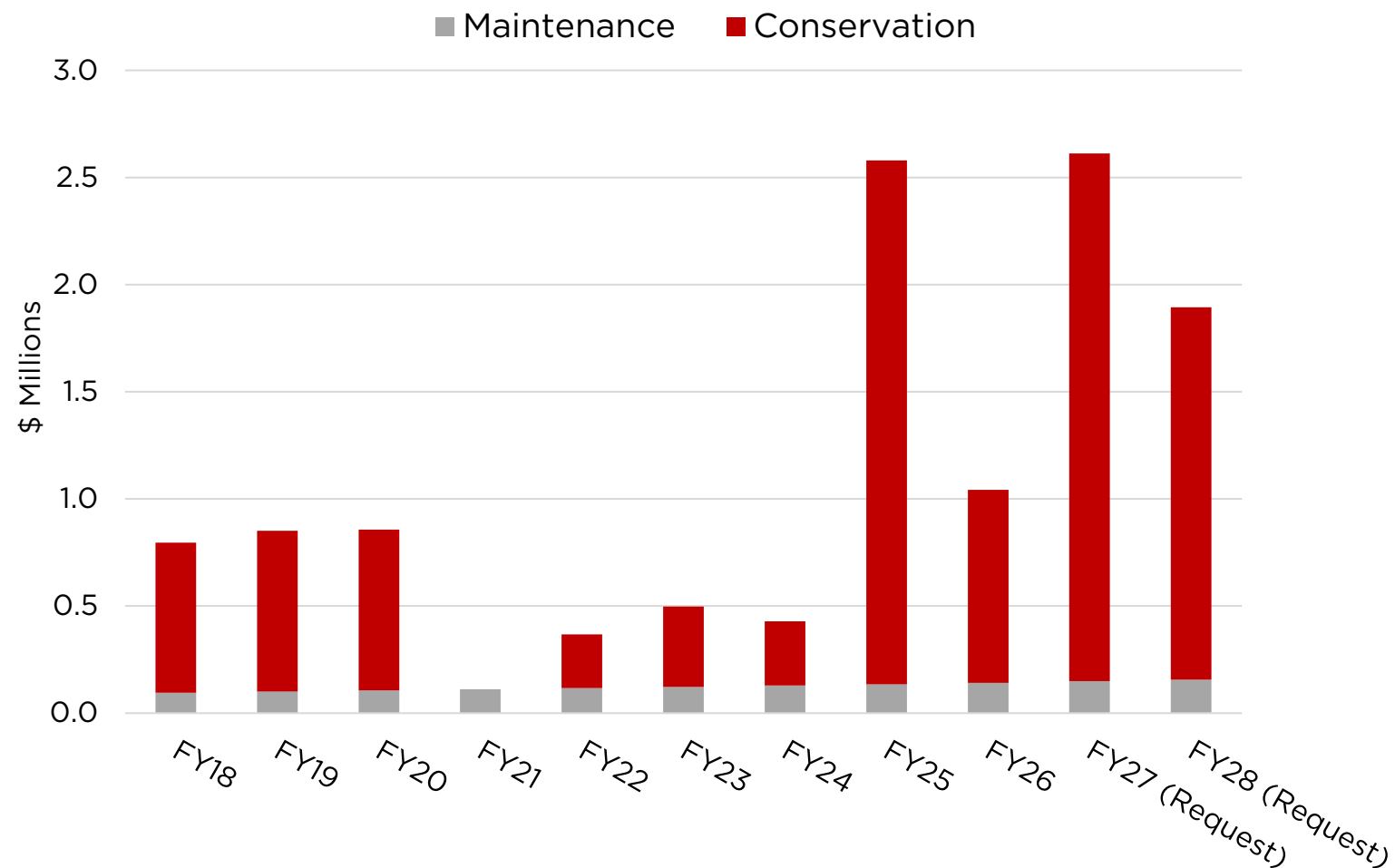
Cultural Centers & Galleries - Capital

- Cultural Center and Galleries capital project requests range from \$75K to \$5M (SOMArts relocation in FY28)



CONVERSATION 8: Harry Dodge and Alicia McCarthy, 2024
SFAC Main Gallery Exhibition; Photo by Aaron Wojack

Civic Art Collection - Capital



2024 Conservation of *SANTUARIO/SANCTUARY*
by Juana Alicia and Emmanuel Montoya, 2000
Photo by SFAC Staff

Questions?



Whorl Whirl: Our Circular Nature, 2024, by Norie Sato. Photo by Ethan Kaplan



Thank You!