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DANIEL TARICA
GENERAL MANAGER

April 25, 2024

Honorable Members of the Budget, Finance, and Innovation Committee
Office of the City Clerk
200 North Spring Street
City Hall, Room 395
Los Angeles, CA 90012

Dear Honorable Members:

Thank you for the opportunity to provide remarks on the Fiscal Year (FY) 2024-25 Proposed Budget for the Department of Cultural Affairs (DCA). DCA would like to thank the Mayor, the City Administrative Officer, and their respective staff for consideration of DCA's budget requests, and for their work to address the City's fiscal challenges through the shared responsibility to close the structural deficit. Concurrently, as the City looks ahead to its upcoming role on the world's stage, the Department looks forward to using this time to increase access for our City's youth and adults for arts and cultural programming, skill development, creative expression, and belonging, as well as further readiness for the arts and cultural sector.

As requested by the Committee Chair, DCA has identified the following five accomplishments the Department will be able to generally achieve with the 2024-25 FY Proposed Budget:

1. Continue arts programming through DCA's grants program, supporting and catalyzing the arts and cultural sector, including delivery of arts and cultural programming, job creation, as well as support of artists and nonprofit organizations;
2. Welcome youth, families, and adults to experience free and low-cost access to museum-quality arts education and programming at DCA Art Centers and Historic Sites;
3. Utilize the City's Performing Arts Centers as catalysts for economic development, community engagement, civic identity, and affordable space for artists and arts organizations;
4. Promote cultural awareness and increase access to arts and cultural programming citywide; and
5. Use public art as a means to engage the City's residents and visitors to create dialogue and provide a sense of belonging and community empowerment.



The Department uses cultural equity as a lens with which to deliver its programming and services, and works to ensure that the Department's budget requests are also reflective of that value. DCA continues the work of addressing historic inequities in our communities. Cultural equity is embedded in each of the accomplishments listed above and the additional requested resources below further these efforts. The majority of the 36 arts and cultural facilities, galleries, and performing arts centers are in areas with an equity score of 6 or higher on the City Administrative Officer's Measure of Access, Disparity, and Equity (MADE) index, which indicates a general lack of access to opportunities.

Shared sacrifice is necessary in times of fiscal constraint; however, without reconsideration or restoration of key items, service reductions may be necessary, thereby negatively impacting the City services currently provided to the community. The Proposed Budget proposes a near 12 percent operating budget reduction, permanent reductions of 24 vacant positions (nearly 25 percent of DCA's total staffing), and a reduction of \$1.3 million to arts and cultural programs. It should be noted that the Department will be unable to meet its 5 percent salary savings rate as a result of the proposed actions. As these reductions are considered, the Department is simultaneously working towards creating additional programs and engagement opportunities for the community, initiating cross-department collaborations, and leading the City's efforts relative to the Cultural Olympiad/Olympic Arts Festival, a required component of the 2028 Olympic and Paralympic Games.

RECOMMENDATIONS

DCA has identified areas of concern, and respectfully requests the restoration of the following:

A. Restore one filled Arts Manager I position which was deleted in the Proposed Budget (Fiscal Impact Unknown)

The Proposed Budget eliminates one filled Arts Manager I in the Public Art Division. This position appears in the Blue Book as assigned to the Los Angeles World Airports Art Program. However, this position was reassigned in 2023 to support the Percent for Art Program - Public Works Improvements Arts Program (PWIAP), which is a revenue generating program for the Department. The City requires one-percent of the total cost of all construction, improvements, or renovation projects undertaken by the City be set aside for public art projects in compliance with the PWIAP. While the position is not included in the 11 resolution authority total deletion count, it is not clear whether the salary savings from this proposed deletion is included in the Proposed Budget - therefore, DCA is not aware as to whether the restoration of this position will have a fiscal impact on the Proposed Budget.

B. Increase DCA's Salaries As-Needed account by \$1 million - to be offset by a corresponding decrease to Schedule 24 - Reserve for Future Costs allocation.

The Proposed Budget includes a reduction of \$150,000 in the Salaries As-Needed Account, leaving the account with \$1.7M. However, this fiscal year, DCA anticipates spending an additional \$1 million in the Salaries As-Needed account to fund critical part-time staffing. This account is used to fund part-time staff time to support programs, teach classes, and run technical backstage equipment for productions. When the Department is unable to fill full-time vacancies, DCA uses additional part-time staff hours to maintain

even service levels. The Department uses Salaries General funds to pay for any overspending in the Salaries As-Needed account. If the vast majority of the Department's full-time vacancies are deleted, then DCA would not have sufficient savings in the Salaries General account to pay for the necessary additional as-needed staff to support programs, classes, and services. Without the restoration of the Department's vacant positions and additional as-needed monies, the Department would be forced to reduce services by canceling classes, reducing the amount of programming provided, and additional backlogs in programs related to the Public Art Division and the Grants Administration Division would grow without this funding, there could be a reduction of 40 percent in community programming and classes and a reduction of 33 percent in theater rentals and corresponding theater revenue.

- C. **Restore One (1) Art Center Director III at Barnsdall Art Park (\$100,991 direct cost - 9 months funding)** to be offset by a corresponding decrease to Schedule 24 - Reserve for Future Costs allocation.

The Art Center Director III (ACD III) position oversees overall operations of the Barnsdall Art Park (CD13) and the Bridge Gallery in City Hall (CD14) which includes 6 facilities: the Los Angeles Municipal Art Gallery (LAMAG); Barnsdall Arts Center; Barnsdall Junior Arts Center; Hollyhock House & Residence A; and the Henry P. Rio Bridge Gallery between City Hall and City Hall East. This function is currently fulfilled by the Community Arts Director who is serving as the Division Director in tandem as interim ACD III. This is unsustainable for the individual in this position currently performing 2 jobs and for the staff of LAMAG, and has resulted in delays to critical maintenance of facilities, attendance to construction projects, appropriate support for staff, and a reduction of impact on the ability of LAMAG to serve upwards of the expected annual visitation of 30,000 residents and visitors through programming. If this position is not filled, DCA would have to return the Community Arts Director to their normal job duties, leaving DCA without any appropriate positions to manage the facility and the Barnsdall Art Park. Therefore, services may be discontinued or significantly limited at LAMAG and the Henry P. Rio Bridge Gallery.

- D. **Delete One (1) vacant Arts Manager II in the Performing Arts Division, and in exchange restore One (1) Art Center Director I at Lankershim Arts Center and One (1) Art Center Director II at Madrid and Taxco Theaters (\$121,646 - 9 months funding)** to be offset by a corresponding decrease to Schedule 24 - Reserve for Future Costs allocation.

The Art Center Director I serves as the Venue Manager at the Lankershim Arts Center (CD2). This individual supervises staff and manages the facility to provide the public with free and low cost arts programming. Currently, the Department has a staff member assigned as the Acting Art Center Director, however, if the Art Center Director I position is eliminated, there will be no higher level position to manage the facility, thus eliminating DCA's ability to either fill the position or establish an acting assignment. Further, the other classifications assigned to this facility are not appropriate classifications to be used for venue management, per the Personnel's classification specifications. Therefore the elimination of this position, would result in the closure of the Lankershim Arts Center and remaining staff would be reassigned to other Performing Arts Centers. The Art Center Director II oversees the Madrid and Taxco Theaters (CD3). The vacant Arts Manager II position recommended for exchange is a Business Manager position - if this position is deleted in exchange for the Art Center Director I and Art Center Director II, the duties of the Business Manager would be absorbed by the existing Performing Arts Division staff

members, including the Performing Arts Director. The exchange of an Arts Manager II and an Art Center Director II would yield 12 months savings in the amount of \$16,378. The addition of the Art Center Director I position would result in a net total requested amount of \$121,646 for 9 months.

E. Delete authority for One (1) Gallery Attendant provided in the Proposed FY 25 Budget at Residence A, and Add One (1) Arts Manager I authority (\$0).

As part of Frank Lloyd Wright's first project in Los Angeles "Hollyhock House," Residence A, also referred to as "the Director's House," was originally envisioned by Aline Barnsdall to act as a smaller auxiliary residence for a theater director to the central Hollyhock House. Recognized as a Los Angeles Historic Cultural Monument, Residence A has undergone significant restoration, and is now completing the final phase of construction. The site is expected to open in FY 2024-25. Currently the site has no staff and a Gallery Attendant is included in the Proposed Budget for this facility. However, a Gallery Attendant may only implement a public tour program and schedule volunteer docents. Operations management and program planning is not a permissible function of this classification. DCA proposes that this position be swapped with an Arts Manager I, and the incremental cost of approximately \$28,015 will be absorbed by the Department.

F. Restore Two (2) Accountant positions for the Administrative Services Division (\$100,287 direct costs - 9 months funding) to be offset by a corresponding decrease to Schedule 24 - Reserve for Future Costs allocation.

These positions are critical in ensuring that invoices and purchase requests are processed within a reasonable timeframe for services rendered by artists and nonprofit arts organizations, and to provide resources to the Department's Art Centers and Performing Arts Centers throughout the year. The Department currently has three filled full-time accounting authorities to process more than 1,000 invoices generated by more than 400 contracts and 200 Authority for Expenditures annually. In addition, the Department is responsible for paying all invoices/payment requests due to all purchase orders processed averaging more than 300 per year as well as processing payments to City Departments for services provided. Without this accounting support, payments to vendors/service providers will be delayed and reserve fund loans may be required if payments are not made during the fiscal year.

G. Restore Four (4) Performing Arts Program Coordinator I (Technical Directors) (\$184,599 direct cost -9 months funding) - to be funded by an anticipated increase in Theater Rental Fees in FY 2024-25.

All but one of the DCA-managed Performing Arts Centers continue to operate with less than baseline staffing levels. One Technical Director at each Performing Arts Center is required to run productions. The Technical Director is responsible for operating, protecting, and maintaining the City's investment in the theater's technical assets, while also managing and overseeing the different technical departments including: set, lighting, costumes, props, sound, and effects. DCA is requesting restoration of 4 Technical Directors at the Vision, Taxco, Madrid, and Warner Grand theaters. The Department is currently working with the Office of the City Attorney on finalizing the Ordinance for the fee adjustments for Theater Rental Fees and Theater Labor Fees and the new fee schedule is anticipated to be in place by FY 2024-25.

- H. **Restore One (1) Arts Associate for Public Space Activation Fund grant program (\$51,056 direct cost - 9 months funding)** - to be funded by a corresponding decrease to Schedule 24 - Reserve for Future Costs allocation.

The Arts Associate in DCA's Grants Administration Division is assigned to the grant category known as the Public Space Activation Fund (PSAF). This fund is an arts equity program available for artists, community based entrepreneurs, cultural activists and nonprofit organizations, to commission projects, programs, and arts/cultural services in arts underserved communities. The program offers twice as much funding as other DCA grant categories to incentivize programming in underserved parts of the City. Grants range from \$600 to \$45,000 per entity. If this position is not restored, DCA would no longer have a dedicated position to support this program, and thus, the number of grants, contracts, and arts and cultural programs in arts underserved areas would be significantly reduced, which could also negatively impact job creation/growth and the arts sector economy.

- I. **Restore One (1) Arts Associate for Hollyhock House (\$51,056 direct cost - 9 months funding)** - to be funded by Hollyhock House Ticketing Revenue in FY 2024-25.

The Arts Associate coordinates Hollyhock House's visitor services, tour program, and public community events. This position is the primary point of contact for public program information and the management of the volunteer docents. The Arts Associate is essential for the execution of public programs at Hollyhock House, Los Angeles' only UNESCO World Heritage site, and upholding the City of Los Angeles' commitment to UNESCO and the National Park Service to provide public site access to Hollyhock House as part of "The 20th-Century Architecture of Frank Lloyd Wright" World Heritage serial inscription. Existing staff is unable to cover the central organizing responsibilities of this full-time Arts Associate and as a result, Hollyhock House is at risk of not meeting its commitments to the City's World Heritage (WH) partners.

- J. **Restore Two (2) Arts Associates to the Percent for Public Art Programs (\$102,112 direct cost - 9 months funding)** - to be funded by a corresponding decrease to Schedule 24 - Reserve for Future Costs allocation.

The Arts Associate positions for the Percent for Public Arts Program, including the Arts Development Fee (ADF) and Public Works Improvements Arts Programs (PWIAP) are responsible for providing support for the City's investment in the creation and support of high quality, publicly accessible art and cultural opportunities for residents and visitors. Without these positions, the City will experience a significant delay and decrease in Council District specific ADF projects and PWIAP-related capital projects. Additionally, these positions are needed to address the increase in vandalized public art and City art collection artworks, public artwork conservation and/or maintenance, and the development of new projects. These positions are partially fee supported.

Finally, the Department has considered repurposing existing positions to accommodate the anticipated staffing reductions, and aside from one possible exchange requested above, due to the limitations of the remaining staffing and financial resources, repurposing existing positions is not feasible without eliminating services.

With the restoration of the aforementioned funding and positions, the City's strategic investments will ensure that DCA continues to provide and market accessible, well-managed, and well-stewarded facilities, arts and cultural programming, and educational initiatives for as many as possible, reinforcing our citywide arts equity goals. We sincerely appreciate the City's ongoing efforts to continue providing arts and cultural services to the City's highest need communities.

Sincerely,



Daniel Tarica
General Manager
City of Los Angeles Department of Cultural Affairs

cc: Honorable Councilmembers
Matt Hale, Deputy Mayor for Finance, Operations, and Innovation
Jacqueline Hamilton, Deputy Mayor for Neighborhood Services
Bernyce Hollins, Mayor's Office Senior Budget Director
Sharon Tso, Chief Legislative Analyst
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