

ILLUSTRATIVE BUDGET FRAMEWORK FY 2026-27 AND 2027-28

Supporting Budget Recommendations to City Council

The following budget frameworks are provided to illustrate how the City's arts funding can be organized more clearly and deployed more effectively under current operating conditions.

As the City of Costa Mesa approaches the end of the current fiscal year, the Arts and Culture Master Plan has effectively expired, and an updated plan has not yet been adopted. At the same time, the City's cannabis tax ordinance continues to designate a portion of revenue specifically for implementation of the Master Plan. This creates a structural gap in which dedicated funding remains in place, but without an active, council approved framework guiding its use.

In practice, the arts program has continued to operate by funding annual programming in advance of realized revenue and relying on general fund backfills as needed. These frameworks reflect that existing reality and are intended to align the budget structure with how the program already functions, rather than introduce new funding obligations.

These models also account for the anticipated cost of the Master Plan update contract (estimated at approximately \$100,000), ensuring that the update process does not create additional pressure on the City's general fund and remains consistent with the intent of the ordinance.

Both scenarios organize funding into clear categories and reflect a simple principle: core programming and contractual obligations are funded first, with remaining funds directed toward a Public Art Fund capable of supporting visible, long-term improvements across the City.

FRAMEWORK

FY 25-26 Arts & Culture Budget

<u>Account</u>	<u>Item</u>	<u>Master Plan 25/26</u>	<u>Budget 25/26</u>
Multimedia, Promos			\$ 72,500.00
	Free at Segerstrom Center Campus (Free resident tickets)	\$ 60,000.00	
	Utility Box Art Program	\$ 12,500.00	
Consulting			\$ 2,500.00
	Artist Laureate Program	\$ 2,500.00	
Recreation			\$ 141,400.00
	ARTventure	\$ 20,000.00	
	Galleries (Youth Art Wall and The Exhibition at the Senior Center)	\$ 400.00	
	Action Arts (ARTventure event)	\$ 10,000.00	
	Free Park Performances	\$ 48,000.00	
	Art Crawl	\$ 3,000.00	
	Large Scale Temporary Public Art	\$ 60,000.00	
Grants			\$ 12,500.00
	Arts Grants Program	\$ 12,500.00	
	Total Events and Initiatives	\$ 228,900.00	\$ 228,900.00

FY26 & FY27 PROPOSED BUDGET @ 0.5% CANNABIS TAX REVENUE

<u>Account</u>	<u>Item</u>	<u>Proposed 26/27</u>	<u>Proposed 27/28</u>	<u>Justification</u>
Multimedia, Promos				
	Free at Segerstrom Center Campus	\$ 30,000.00	\$ 30,000.00	Reflects comments of Commission to reduce program.
	Utility Box Art Program	\$ 12,500.00	\$ 12,500.00	Maintains Master Plan Numbers.
Consulting				
	Artist Laureate Program	\$ 5,000.00	\$ 5,000.00	Increases prestige of laureate program.
	Master Plan Update	\$ 50,000.00	\$ 50,000.00	Splits approx cost over 2 years.
Recreation				
	ARTventure/Action Arts	\$ 45,000.00	\$ 45,000.00	Maintains Master Plan Numbers.
	Galleries	\$ 900.00	\$ 900.00	
	Free Park Performances	\$ 48,000.00	\$ 48,000.00	
	Art Crawl	\$ 4,000.00	\$ 4,000.00	
Grants				
	Arts Grants Program	\$ 30,000.00	\$ 32,500.00	Increase reflecting overwhelming community input wihtin reason.
Public Art				
	Public Art Fund	\$ 4,600.00	\$ 2,100.00	Reflects remaining amount available at \$230k in revenue.
	Total Events and Initiatives	\$ 230,000.00	\$ 230,000.00	Total Cannabis tax revenue for 2025, assuming it remains constant.

FY26 & FY27 PROPOSED BUDGET @ 1.0% CANNABIS TAX REVENUE

<u>Account</u>	<u>Item</u>	<u>Proposed 26/27</u>	<u>Proposed 27/28</u>	<u>Justification</u>
Multimedia, Promos				
	Free at Segerstrom Center Campus	\$ 30,000.00	\$ 35,000.00	Reflects comments of Commission to reduce program.
	Utility Box Art Program	\$ 25,000.00	\$ 30,000.00	Increases # of boxes wrapped each year.
Consulting				
	Artist Laureate Program	\$ 7,500.00	\$ 7,500.00	Increases prestige while providing enough for Laureate to do more work.
	Master Plan Update	\$ 100,000.00	\$ -	All costs could be upfront.
Recreation				
	ARTventure/Action Arts	\$ 45,000.00	\$ 45,000.00	Maintains Master Plan Numbers.
	Galleries	\$ 1,000.00	\$ 1,000.00	Sufficient budget to host events for the art.
	Free Park Performances	\$ 60,000.00	\$ 60,000.00	More park performances in all districts, better performers at various events.
	Art Crawl	\$ 4,000.00	\$ 4,000.00	Maintains Master Plan Numbers as program is reconsidered.
Grants				
	Arts Grants Program	\$ 75,000.00	\$ 100,000.00	Allows city to better support artistic programs available to the community.
Public Art				
	Public Art Fund	\$ 112,500.00	\$ 177,500.00	Build up sufficient funds to begin commissioning art in the city with new master plan.
	Total Events and Initiatives	\$ 460,000.00	\$ 460,000.00	Doubles 2025 cannabis tax revenue.