

# CULTURAL ARTS PROGRAM FUNDING – HOTEL OCCUPANCY TAX

ECONOMIC DEVELOPMENT DEPARTMENT

MAY 18, 2020



# Hotel Occupancy Tax Fund

	2016-17	2017-18	2018-19	2018-19	2019-20
	Actual	Actual	Estimated	Amended	Approved
<b>Beginning Balance</b>	0	0	0	0	0
<b>Revenue</b>					
Hotel/Motel Occupancy Tax	92,477,077	99,188,325	100,586,884	95,790,687	122,552,987
H/MOT Penalties & Interest	67,211	169,038	238,822	233,795	243,956
<b>Total Revenue</b>	<b>92,544,288</b>	<b>99,357,364</b>	<b>100,825,706</b>	<b>96,024,482</b>	<b>122,796,943</b>
<b>Total Available Funds</b>	<b>92,544,288</b>	<b>99,357,364</b>	<b>100,825,706</b>	<b>96,024,482</b>	<b>122,796,943</b>
<b>Transfers Out</b>					
Trf to Conv Ctr Tax Fund	46,559,709	48,122,181	50,412,853	48,012,241	50,916,981
Trf to Conv Ctr Venue Fund	20,691,135	21,385,497	22,405,712	21,338,774	22,629,770
Trf to Conv Ctr Capital Fund	0	0	0	0	20,962,980
Trf to Cultural Arts Fund	10,867,036	11,231,717	11,762,999	11,202,856	11,880,629
Trf to Historical Preservation Fund	0	7,035,463	11,762,999	11,202,856	11,880,629
Trf to Tourism & Promotion Fnd	15,001,538	8,469,504	4,481,143	4,267,755	4,525,954
<b>Total Transfers Out</b>	<b>93,119,418</b>	<b>96,244,361</b>	<b>100,825,706</b>	<b>96,024,482</b>	<b>122,796,943</b>
<b>Total Requirements</b>	<b>93,119,418</b>	<b>96,244,361</b>	<b>100,825,706</b>	<b>96,024,482</b>	<b>122,796,943</b>
<b>Excess (Deficiency) of Total Available Funds Over Total Requirements</b>	<b>(575,130)</b>	<b>3,113,003</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Adjustment to GAAP</b>	<b>575,130</b>	<b>(3,113,003)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Cultural Arts Fund

	2016-17	2017-18	2018-19	2018-19	2019-20
	Actual	Actual	Estimated	Amended	Approved
<b>Beginning Balance</b>	4,720,107	4,518,915	3,215,422	3,027,819	1,758,364
<b>Revenue</b>					
Interest	37,079	56,500	50,333	25,000	25,000
<b>Total Revenue</b>	37,079	56,500	50,333	25,000	25,000
<b>Transfers In</b>					
Other Funds	10,867,036	11,231,717	11,762,999	11,202,856	11,880,629
Convention Center	0	0	0	0	3,144,447
<b>Total Transfers In</b>	10,867,036	11,231,717	11,762,999	11,202,856	15,025,076
<b>Total Available Funds</b>	10,904,115	11,288,217	11,813,332	11,227,856	15,050,076
<b>Program Requirements</b>					
Cultural Arts and Contracts	11,145,886	12,677,444	13,270,390	13,270,390	12,808,430
<b>Total Program Requirements</b>	11,145,886	12,677,444	13,270,390	13,270,390	12,808,430
<b>Total Requirements</b>	11,145,886	12,677,444	13,270,390	13,270,390	12,808,430
<b>Excess (Deficiency) of Total Available Funds Over Total Requirements</b>	(241,772)	(1,389,227)	(1,457,058)	(2,042,534)	2,241,646
<b>Adjustment to GAAP</b>	40,580	85,734	0	0	0
<b>Ending Balance</b>	4,518,915	3,215,422	1,758,364	985,285	4,000,010

# Projected Revenue Shortfalls by Source

## General Fund

Revenue Source	FY 2020 Budget	Rapid Resolution	Slower Resolution	FY 2021 Forecast	Rapid Resolution	Slower Resolution
Sales Taxes	\$251.8 M	(\$32.6 M)	(\$43.2 M)	\$260.6 M	(\$11.8 M)	(\$15.4 M)
Mixed Drink Taxes	\$14.2 M	(\$1.1 M)	(\$4.2 M)	\$14.7 M	-	(\$0.5M)
User Fees and Fines	\$91.2 M	(\$3.0 M)	(\$8.6 M)	\$91.9 M	-	-
Interest Earnings	\$8.3 M	(\$1.6 M)	(\$1.6 M)	\$9.0 M	(\$6.1 M)	(\$6.1M)
All Other	\$723.1 M	-	-	\$744.1 M	-	-
<b>Total</b>	<b>\$1,088.6 M</b>	<b>(\$38.3 M)</b>	<b>(\$57.6 M)</b>	<b>\$1,120.3 M</b>	<b>(\$17.9M)</b>	<b>(\$22.0 M)</b>

- May sales tax payment down 4.5% from the prior year (2 month lag; represents March sales)
- Other large Texas cities experienced steeper declines ranging from 6.5% to 10.7%; State down 9.3%

# Projected Revenue Shortfalls by Source

## *Other Funds – FY20 Projections*

- Hotel Occupancy Taxes – *\$36.7 million decline*
  - Impact on programs in the Convention Center, Historic Preservation, Cultural Arts, and Music Funds
- Airport Revenue – *\$68.1 million decline*
  - Steep declines in parking fees, landing fees, and concession revenue
- Austin Transportation Department Parking Fees – *\$8.9 million decline*

DRAFT

DRAFT

# Cultural Arts Fund

	2017-18	2018-19	2019-20	2019-20	2020-21*
	Actual	Actual	Estimated	Amended	Proposed
<b>Beginning Balance</b>	<b>4,518,915</b>	<b>3,215,422</b>	<b>2,960,636</b>	<b>1,758,364</b>	<b>(1,564,286)</b>
<b>Revenue</b>					
Interest	56,500	70,152	38,500	25,000	25,000
<b>Total Revenue</b>	<b>56,500</b>	<b>70,152</b>	<b>38,500</b>	<b>25,000</b>	<b>25,000</b>
<b>Transfers In</b>					
Other Funds	11,231,717	12,639,480	8,245,008	11,880,629	9,304,634
Convention Center	0	0	0	3,144,447	0
<b>Total Transfers In</b>	<b>11,231,717</b>	<b>12,639,480</b>	<b>8,245,008</b>	<b>15,025,076</b>	<b>9,304,634</b>
<b>Total Available Funds</b>	<b>11,288,217</b>	<b>12,709,631</b>	<b>8,283,508</b>	<b>15,050,076</b>	<b>9,329,634</b>
<b>Program Requirements</b>					
Cultural Arts and Contracts	12,677,444	13,001,908	12,808,430	12,808,430	6,835,302
<b>Total Program Requirements</b>	<b>12,677,444</b>	<b>13,001,908</b>	<b>12,808,430</b>	<b>12,808,430</b>	<b>6,835,302</b>
<b>Total Requirements</b>	<b>12,677,444</b>	<b>13,001,908</b>	<b>12,808,430</b>	<b>12,808,430</b>	<b>6,835,302</b>
<b>Excess (Deficiency) of Total Available Funds Over Total Requirements</b>	<b>(1,389,227)</b>	<b>(292,277)</b>	<b>(4,524,922)</b>	<b>2,241,646</b>	<b>2,494,332</b>
<b>Adjustment to GAAP</b>	<b>85,734</b>	<b>37,491</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Balance</b>	<b>3,215,422</b>	<b>2,960,636</b>	<b>(1,564,286)</b>	<b>4,000,010</b>	<b>930,046</b> **

Note: Numbers may not add due to rounding.

**\*\*PLEASE NOTE:** The Proposed FY21 ending balances reflects a 10% reserve. EDD is working with the Budget Office to identify additional revenue for FY21 that will allow for level funding.



# QUESTIONS?