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TO: Neil A. Barclay, J.D., President and CEO
Museum of African American History

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: March 7, 2023

RE: 2023-2024 Budget Analysis

Attached is our budget analysis regarding your agency's budget for the 2023-2024 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, March 9, 2023, at 11:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience before or after your budget hearing. Please forward a copy of your responses to the Council members, the City Clerk's Office, and the Legislative Policy Division.

Please contact us if you have any questions regarding our budget analysis. Thank you for your cooperation in this matter.

DW:dh:ss

Attachments:
Issues and Questions

cc: Councilmembers
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO
Steve Watson, Budget Director
Donald Rencher, Group Executive
James George, Agency CFO
Doug Ortiz, Budget Analyst
Malik Washington, Mayor's Office

Museum of African American History

FY 2023-2024 Budget Analysis by the Legislative Policy Division

The Charles H. Wright Museum of African American History ("The Wright"), located in Detroit, Michigan, provides research, compilation, presentation, publication, and dissemination of knowledge relating to the history, growth, development, heritage, and culture of people of African descent and the human struggle for freedom. Additionally, The Wright provides a means of collecting and restoring artifacts and other source material to be used in research on the history of the people of African descent.¹

The Mayor is recommending a \$1,900,000 subsidy for the Charles H. Wright Museum of African American History for FY 2024, in appropriation **26350 - Cultural Institutions Support**, in cost center **350290 - Charles H. Wright Museum of African American History**, located in the Non-Departmental budget (**Pg. B35 - 9**). This subsidy of \$1,900,000, is a \$700,000 (26.9%) decrease from the current FY 2023 subsidy of \$2,600,000 for the museum.

The Non-Departmental budget provides funds for activities, which are not the responsibility of any other single agency. Non-Departmental is also the depository agency for General Fund subsidy appropriations, enterprise activities and for a wide variety of General Fund revenues that cannot be credited to any specific department.

Questions:

1. **In the Four-Year Financial Plan²**, for **FY 2023-2024 (FY 24)**, the Mayor is recommending a \$1,900,000 subsidy for the Charles H. Wright Museum of African American History for FY 24, a \$700,000 (26.9%) decrease from the current FY 23 subsidy of \$2,600,000 for the museum. What is the rationale for this decrease?
2. What is the projected impact of the decreased subsidy to the daily operations and exhibits of the museum?
3. According to page 7 of the Charles H. Wright Museum of African American History annual financial statements as of June 30, 2022, the museum's total net position went from \$4.67 M in 2021 to \$16.83 M in 2022, a \$12.16 M increase. Please explain this significant increase.
4. What major initiatives/capital expenses does the museum have planned for the upcoming FY 2024?
5. Please provide the budgeted level of positions, actual level of positions filled as of February 28, 2023, and amount of vacancies. Does the museum plan on filling these vacancies?
6. Are there any plans for the museum to modify its staff or visiting hours in the upcoming FY 24?
7. Please provide the museum's FY 2023 operating budget, and the FY 2024 operating budget, if available.
8. Please provide an update on State of Michigan legislation that would allow Wayne and Oakland counties to create a history museum authority that could set an operating millage of up to 0.4 mills for up to 20 years.³

¹ Charles H. Wright Museum of African American History annual financial statements as of June 30, 2022, page 18.

² Page B- Pg. B35 - 9 of the City of Detroit Four-Year Financial Plan FY2023-2024

³ "2 Detroit museums hoping for a new tax in two counties to sustain them", Detroit Free Press article by Niraj Warikoo, dated January 15, 2022. <https://www.freep.com/story/news/local/michigan/2022/01/15/charles-wright-detroit-historical-museums-ask-voters-new-tax/6529539001/>

Non-Departmental (35)

The Non-Departmental agency records the salaries and benefits for the 11 elected officials of the City of Detroit: Mayor, City Clerk, and City Council members, in the **Elected Officials Compensation** cost center. General Fund contributions are made to enterprise agencies, cultural agencies, other external agencies.

General Fund Contributions	FY 2024 Mayor Proposed
Coleman A. Young International Airport	\$3,953,472
Detroit Department of Transportation	\$74,368,185
Detroit Transportation Corporation (People Mover)	\$6,500,000
Charles H. Wright Museum of African American History	\$1,900,000
Detroit Historical Society	\$500,000
Detroit Zoological Society	\$570,000
Eastern Market	\$225,000
Detroit Wayne Port Authority	\$250,000
Detroit Land Bank Authority	\$11,000,000
Detroit Community Education Commission (GOAL Line)	\$250,000

CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 35 - NON-DEPARTMENTAL

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name	FY2023 Adopted	FY2024 Mayor Proposed	FY2025 Forecast	FY2026 Forecast	FY2027 Forecast
4533 - City of Detroit Capital Projects	7,600,000	350,000	-	-	-
20507 - CoD Capital Projects	7,600,000	350,000	-	-	-
350093 - Detroit Historical Museum	1,000,000	-	-	-	-
350097 - Eastern Market Corporation	350,000	350,000	-	-	-
350290 - Charles H. Wright Museum of African American Histor	2,000,000	-	-	-	-
358010 - Capital Restructuring Initiative - Airport	2,250,000	-	-	-	-
358035 - Capital Restructuring Initiative - Non Departmental	2,000,000	-	-	-	-
Grand Total	289,160,585	166,382,027	168,751,160	172,278,894	174,151,018