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TO:

Detroit City Council

FROM:

David Whitaker, Director

Legislative Policy Division

DATE:

March 23, 2019

RE:

Report on Detriot Public Library Supplemental Funding

The Legislative Policy Division (LPD) has been requested by Council Member Constañeda-López to provide a report with regard to the ability of the City of Detroit (City) to provide funding to the Detroit Public Library (DPL).

The Detroit Public Library is a publicly funded, independent, municipal corporation. The DPL is governed by a seven member Detroit Library Commission. Its public funding is provided primarily by taxpayers through a property tax millage of 3.9943 on each \$1,000 of taxable value through June 30, 2025. Members are appointed by the Detroit Public Schools Community District Board of Education. In 2014, the citizens of Detroit voted to renew the tax milage. The estimated revenue raised by the milage was \$37,700,000.00. As evidenced by the testimony provided during the City Council's budget hearing for DPL, the reveunes generated fail to meet the expenditure needs of DPL if library branch services wer to be fully restored.

In reviewing the legality of whether the City can provided financial assistance, LPD has reviewed the Detroit City Charter (Charter), the Emergency Orders of the prior City of Detroit Emergency Manager and the Plan of Adjustment from the City's emergence from bankruptcy. LPD has not identified any legal prohibition to the City providing financial assistance to DPL. In fact, under Article IX, Chapter 5, Section 9.05, *Library*, the Charter provides:

The City may make appropriations to, and exercise its power in aid of, the Detroit Library Commission for the operation of libraries within the City.



Pursuant to the Charter provision, the City is specifically authorized to make appropriations to the Detroit Library Commission for the operation of libraries within the City. The issue therefore is not whether the City can legally appropriate financial assistance to DPL, but whether the City has the financial resources to provide such assistance and can that financial assistance be sustained. The City could provide a one time financial appropriation to assist the Library Commission in the capital improvement to library facilities, but, what will occur with regard to the continued operation of the libraries thereafter? Theoretically, the City could provide ongoing appropriations to the Library Commission for operations over an extended period of time, the question is, does the City have the general fund revenues to support such and endeavor?

In conclusion, LPD has not identified any legal prohibiton to the City providing financial assistance to the Detroit Library Commission as set forth under the Charter. The policy question is does the City wish to shift its funding priorities in order to have the revenue to support such assistance, and if so, in what form will such assistance take place?

- H/A

If we can be of further assistance please feel free to call upon us.