

Memorandum



Date: June 7, 2010

RCT
Agenda Item No. 8(E)

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Proposed Funding for Miami Children's Museum

On the upcoming Recreation and Culture Committee agenda, an item has been sponsored by Commissioner Barreiro proposing an allocation of \$750,000 to the Miami Children's Museum. In addition to the issues outlined in the attached memorandum concerning allocations to cultural facilities and programs in general and the Miami Children's Museum in particular, the source of funding utilized for this allocation has also been fully utilized to support the mid-year supplemental funding for the general fund to close the gap created by the delay in implementation of the adjustments to personnel costs through the collective bargaining process. That item will appear before the Budget, Planning and Sustainability Committee.

The public hearing for both items will occur before the full Board of County Commissioners, as is required for budget-related ordinances. The items conflict and cannot both pass as currently proposed. Approving this funding to the Miami Children's Museum would require amendment of the mid-year budget supplemental item and identification of \$750,000 worth of alternative service reductions in order to balance the general fund budget for FY 2009-10. Furthermore, the County would be creating a new funding obligation at a time when we are facing a funding gap for the upcoming fiscal year of roughly \$360 million and will likely be recommending significant cuts.

If you have any questions, please feel free to contact Jennifer Glazer-Moon, Director, Office of Strategic Business Management at (305) 375-5143 or me directly.

Attachment

c: Honorable Carlos Alvarez, Mayor
R.A. Cuevas, Jr., County Attorney
Alex Munoz, Assistant County Manager
Jennifer Glazer-Moon, Special Assistant/Director, Office of Strategic Business Management
Michael Spring, Director, Cultural Affairs
Charles Anderson, Commission Auditor

cmo19710

Date: April 27, 2010
To: George M. Burgess
County Manager
From: Michael Spring, Director 
Cultural Affairs
Subject: Information Regarding Proposed Funding for the Miami Children's Museum

This memorandum is submitted at your request to provide information regarding cultural policy, procedural and financial issues raised by the proposed allocation of \$750,000 for the Miami Children's Museum.

It is important to emphasize that The Miami Children's Museum continues to provide enriching and educational programs and activities for our community. Our track record of providing significant County competitive grant support to The Miami Children's Museum recognizes the museum's service to the community. The cultural policy issues raised below are not intended to be a negative reflection on the museum's performance.

Policy Regarding County-Supported Institutions

The proposed ordinance would represent a significant redefinition of the existing County policy regarding the designation of "County-supported cultural institutions" and would enable other cultural organizations to make the case for similar designation and support. The established definition of a County-supported cultural institution is that the County owns the property and/or facility in which the non-profit cultural institution operates. In these cases, Miami-Dade County has provided direct line item support for the facilities' (physical plant) operating expenses in recognition of our responsibility to ensure the operational viability of County-owned assets. In light of the County's ownership interest, there typically is an agreement between the non-profit and Miami-Dade County outlining the programming, financial and facility rights and responsibilities of each party. The following seven organizations are County-supported cultural institutions: Adrienne Arsht Center for the Performing Arts, Fairchild Tropical Botanic Garden, Historical Museum of Southern Florida, Miami Art Museum, Miami Science Museum, Vizcaya and the Zoological Society of Florida.

The Miami Children's Museum meets neither of these criteria:

- Ownership – the land and the building of the Miami Children's Museum are owned by the City of Miami; and
- Operating Agreement – since the facility is owned by the City of Miami, there is no operating agreement between Miami-Dade County and the Miami Children's Museum.

There are other local cultural facilities, currently without a larger organizational, educational, municipal or public "parent" institution (e.g., The Lyric Theater, The Cuban Museum, The Jewish Museum of Florida, etc.) that consistently make the same claim as the Miami Children's Museum - that support by a "parent" organization would recognize and advance their public purposes. In addition, under the reasoning behind the proposed allocation, there are other City-owned cultural facilities that have received or will receive significant County capital funding support that also could make the claim for line-item operating support from Miami-Dade County (e.g., Gusman Center for the Performing Arts and Miami Marine Stadium).

It has been pointed out that the County's investment in the museum's capital project provides the museum with entitlement to line-item County support. The Miami Children's Museum opened in its current \$25 million home on Watson Island in September 2003 with a County contribution of 20% toward its total construction cost (\$5 million). As examples, Miami-Dade County's capital funding support for The Lyric Theater's and The Cuban Museum's facilities will amount to almost 100% of the capital costs. In addition, Miami-Dade County has provided capital funding support to numerous other non-County-owned cultural facility projects that has made these projects possible (e.g., the Lou Rawls Center for the Performing Arts at Florida Memorial University, the new Miami Hispanic Ballet facility, Actors' Playhouse at the Miracle Theater in Coral Gables, etc.). Any of these facilities could make a similar case that the County's capital support serves as entitlement for annual line-up operating support. To date, the County's policy has been to inform capital grant recipients that they are responsible for raising operational support and that the County's competitive grants programs are available to help, subject to the annual availability of funds and the public grants review process.

In the case of The Miami Children's Museum and these other cultural facilities, the organizations already are receiving County operational funding support through the competitive grants programs managed by the Department of Cultural Affairs. The Miami Children's Museum is a regular applicant to and recipient of major annual grant support through the Department of Cultural Affairs' competitive grants programs (in FY 2010 totaling more than \$266,000). To date, the Miami Children's Museum has received \$5,239,828 million in operating, programming and facility improvements grants funding support from the County in its current facility (this funding is in addition to the County's \$5 million in capital support to help build the museum).

It also is important to note that the argument has been made that The Miami Children's Museum is "unique" in its delivery of programs for children. In fact, the Department of Cultural Affairs provides annual funding support to 26 non-profit cultural organizations whose primary mission explicitly requires them to professionally create, present or exhibit quality cultural programs for children and/or with children year-round. The Miami Children's Museum is not the sole provider in the County of cultural programs for children. In addition, the existing seven County-supported cultural institutions serve hundreds of thousands of children each year.

Procedural Reviews of County-Supported Institutions' Budget Requests

Each of the seven County-supported cultural institutions undergoes a rigorous internal budget review annually by the Office of Strategic Business Management (OSBM) and each is treated in terms of budget submissions and accountability similar to a County department. This requirement of a comprehensive budget review evaluates the level of support being requested and ensures that these non-profit organizations are operating efficiently and that County support and other funds are being accounted for satisfactorily.

It is important to emphasize the following facts regarding the proposed \$750,000 for The Miami Children's Museum:

- The museum has provided no financial materials substantiating the specific need for \$750,000; and
- The consideration of County line-item support has not been preceded by a comprehensive review of the museum's finances by OSBM.

Consequently, there is no operational, programmatic and/or financial basis presented or reviewed to substantiate the specific amount of support being proposed for The Miami Children's Museum.

Financial Issues

The overall County budget for FY 2009-2010 was one of the most challenging in history for Miami-Dade County. It is important to point out that County funding was reduced this fiscal year to Fairchild Tropical Botanic Garden, Historical Museum of Southern Florida, Miami Art Museum, Miami Science Museum, Vizcaya and the Zoological Society of Florida – all County-supported cultural institutions. This has resulted in reductions in programs and staff for these organizations, many of which are well underway with work on GOB-supported facility expansions and improvements. Annual support to “County-supported” cultural institutions (in buildings owned and/or operated by Miami-Dade County) was reduced by a total of \$1.62 million in FY 2009-10. If additional funding were to be identified and allocated, a priority recommendation within this area of County-supported cultural institutions would be to restore these funds and the correspondingly reduced or eliminated programs, activities and staff at these facilities.

In addition, County grant support through the Department of Cultural Affairs' Major Cultural Institutions grants program is \$700,000 less in FY 2009-10 than the funding provided through that program in FY 2009. Overall, County funding to non-profit cultural organizations through the Department's full array of competitive grants programs has been reduced by nearly \$2 million in the current year. If additional funding were to be identified and allocated, a priority recommendation within this area of cultural programs would be to restore funds to the competitive grants programs, acknowledged as a model for fair, accountable and effective cultural investment countywide.