

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. James Van Bramer
Chair, Committee on Cultural Affairs
Libraries and International Intergroup Relations

Hon. Costa Constantinides
Chair, Select Committee on Libraries

Hearing on the Fiscal 2015 Preliminary Budget & the Fiscal 2014 Preliminary Mayor's Management Report

Libraries

March 11, 2014

Latonia McKinney, Deputy Director

Norah Yahya, Legislative Financial Analyst

Table of Contents

Summary and Impact.....	1
The Libraries.....	3
New York Public Library System.....	3
Brooklyn Public Library System.....	5
Queens Borough Public Library.....	6
Capital Program.....	7
Preliminary Budget Highlights.....	8
Appendix A.....	9
Budget Actions in the November and Preliminary Plans.....	9

Library services are provided through three independent systems: the Brooklyn Public Library (BPL), the New York Public Library (NYPL) and the Queens Borough Public Library (QBPL). These systems operate 214 local library branches throughout the City and four research library centers in Manhattan. The libraries offer free and open access to books, periodicals, electronic resources and non-print materials. Reference and career services, Internet access, and educational, cultural and recreational programming for adults, young adults and children are also provided. The libraries' collections include 377 electronic databases and more than 65 million books, periodicals and other circulating and reference items. The City provides for both direct operating support and energy costs in all facilities, which it does in part through prepayments in the current fiscal year.

This report analyzes the funding for the City's three public library systems, reviews the Preliminary Mayor's Management Report indicators related to each system, and reviews the capital program for the systems.

Summary and Impact

Each system receives City tax-levy funds for operational and energy support, as well as capital funds for maintenance of the over 200 branches managed by the systems and to create new branches and/or specialized centers. Since Fiscal 2008, the systems have maintained City support well above \$300 million. For Fiscal 2015, the Administration is proposing a \$301 million subsidy for the systems, which maintains current funding levels when compared to the Fiscal 2014 Adopted Budget. The following table, "Financial Summary for the Libraries", provides an overview of City support from Fiscal 2012 to the Preliminary Plan for Fiscal 2015, demonstrating the slight reduction of funding to each system.

Financial Summary for the Libraries						
<i>Dollars in Thousands (Adjusted for prepayments)</i>						
	2012	2013	2014	2014	2015	Difference*
	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014–2015
Research Libraries	\$19,468	\$22,278	\$22,637	\$22,637	\$22,622	(\$15)
NYPL	97,640	113,166	112,108	112,108	112,108	0
BPL	75,181	84,698	3,649	83,649	83,625	(24)
QBPL	75,017	84,188	82,931	82,931	82,801	(130)
TOTAL	\$267,306	\$304,330	\$301,325	\$301,325	\$301,156	(\$169)

* Difference refers to the variance between the Fiscal 2014 Adopted Budget and the Fiscal 2015 Preliminary Plan funding.

Fiscal 2014 Restoration

The Council and the Administration have routinely provided supplemental or restorative funds to the City's operational subsidy for the research and branch libraries to ensure that these libraries were able to maintain necessary service hours and materials for all New Yorkers. Large funding deficits to the three systems beginning in Fiscal 2011 necessitated the Council and the Administration to restore funding, and in Fiscal 2014 the Council provided \$12.7 million and the Administration provided \$93.4 million to restore proposed cuts. This \$106.2 million restoration was included in the November Plan for Fiscal 2015 and in the outyears. This baseline funding allows the library systems to continue to employ nearly 3,800 people across the City. The following chart provides a breakdown of the Fiscal 2014 restoration to each system.

FY 2014 Changes at Adoption			
<i>Dollars in Thousands</i>			
	City Council	Administration	Total
Research Libraries - Partial PEG Restoration	\$906	\$6,641	\$7,547
NYPL Branches - Partial PEG Restoration	4,742	34,775	39,517
BPL - Partial PEG Restoration	3,556	26,075	29,631
QBPL - Partial PEG Restoration	3,545	25,995	29,540
TOTAL	\$12,749	\$93,486	\$106,235

Capital Budget Overview

There is nearly \$517 million in City funds for the libraries in Fiscal 2014 and \$47.3 million for Fiscal 2015 included in the Fiscal 2015 Preliminary Capital Commitment Plan. Because of the large amount of commitments placed in Fiscal 2014, these funds will roll into Fiscal 2015. These committed funds support technological upgrades, ADA compliance measures, and infrastructure improvement projects at the branches, building of new branches and centers throughout the City, as well as renovations to branches that were harshly impacted by Superstorm Sandy. Details of the capital program are outlined in the capital section of this report.

Preliminary Mayor's Management Report (PMMR) Highlights

Although the libraries have experienced year-over-year funding losses since Fiscal 2008, there continues to be a steady increase in circulation and overall attendance at public library branches throughout the City. The PMMR reflects how the lack of funding has provided lower averages of service hours per week and lowered the number of programs to be offered each year; however, with baselined funding the expectation is that the three systems will be able to maintain services at high levels. Details of key performance measures are provided in the appropriate sections for each system in this report.

The Libraries

New York Public Library System

The New York Public Library includes 86 branch libraries in the Bronx, Manhattan and Staten Island. The four research libraries are the Library for the Performing Arts located at Lincoln Center, the Schomburg Center for Research in Black Culture located in Harlem, the Science, Industry and Business Library in Midtown, and the main library on 5th Avenue and 42nd Street (Humanities and Social Science). In Fiscal 2012, the New York Public Library had a record high of 28 million in circulation, and in Fiscal 2013 they had over one million people in program attendance.

New York Public Library Financial Summary						
<i>Dollars in Thousands</i>						
	2012	2013	2014	2014	2015	Difference*
	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014–2015
Branch Libraries	\$97,640	\$113,166	\$112,108	\$112,108	\$112,108	\$0
TOTAL	\$97,640	\$113,166	\$112,108	\$112,108	\$112,108	\$0

New York Research Library Financial Summary						
<i>Dollars in Thousands</i>						
	2012	2013	2014	2014	2015	Difference*
	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014–2015
Research Libraries	\$19,468	\$22,278	\$22,637	\$22,637	\$22,622	(\$15)
TOTAL	\$19,468	\$22,278	\$22,637	\$22,637	\$22,622	(\$15)

**Difference refers to the variance between the Fiscal 2014 Adopted Budget and the Fiscal 2015 Preliminary Plan funding.*

Below are the budget highlights to the NYPL system of the proposed budget in Fiscal 2015.

- Budget Highlights.** For Fiscal 2015, there is leveled funding to the NYPL branch libraries. The year-over-year reduction of \$15,000 to the research libraries as compared to the Fiscal 2014 Adopted Budget is one-time discretionary funding for Fiscal 2014. The budget for both systems (branches and research branches) remains relatively unchanged.

Performance Measures

The following performance measures are highlighted in the Preliminary Mayor’s Management Report for the Research Libraries.

	FY11	FY12	FY13	Target FY14	Target FY15	4-Month Actual FY13	4-Month Actual FY14
Average weekly scheduled hours	46.8	46.8	46.8	46.8	46.8	46.8	46.8
Libraries open six days per week (%)	75%	75%	75%	75%	75%	75%	75%
Reference queries (000)	375	348	406	340	340	97	87
Program sessions	1,639	1,983	1,741	1,900	1,900	551	492
Program attendance	101,533	109,228	87,990	109,000	109,000	30,048	20,836

The following performance measures are highlighted in the Preliminary Mayor’s Management Report for the branches.

	FY11	FY12	FY13	Target FY14	Target FY15	4-Month Actual FY13	4-Month Actual FY14
Average weekly scheduled hours	46.6	46.6	46.6	46.0	46.0	46.6	46.6
Libraries open six days per week (%)	100%	100%	100%	100%	100%	100%	100%
Circulation (000)	27,908	28,278	25,949	25,500	25,500	8,748	9,151
Reference queries (000)	7,909	8,844	8,777	8,800	8,800	3,499	3,465
Computers for public use	3,704	4,026	4,026	4,000	4,000	3,981	4,026
Program sessions	43,270	53,157	59,030	53,000	53,000	17,377	20,967
Program attendance	864,669	1,058,899	1,120,064	1,057,000	1,057,000	343,775	396,330
Total library attendance (000)	15,063	14,836	14,185	14,800	14,800	5,049	5,001

Brooklyn Public Library System

The Brooklyn Public Library (BPL) consists of 60 branch libraries in the borough of Brooklyn including a Business Library and Central Library. Over the past year, the Brooklyn Public Library has almost doubled its wireless sessions and its library attendance has decreased.

Brooklyn Public Library Financial Summary						
<i>Dollars in Thousands</i>						
	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	Difference* 2014–2015
BPL	\$75,181	\$84,698	\$83,649	\$83,649	\$83,625	(\$24)
TOTAL	\$75,181	\$84,698	\$83,649	\$83,649	\$83,625	(\$24)

**Difference refers to the variance between the Fiscal 2014 Adopted Budget and the Fiscal 2015 Preliminary Plan funding.*

Below are the budget highlights to the BPL system of the proposed budget in Fiscal 2015.

- Budget Reductions.** The budget for the BPL remains relatively unchanged as compared to the Adopted Fiscal 2014 Budget. For Fiscal 2015, there is a year-over-year reduction of \$24,000 in the BPL system. Which can be attributed to one-time Council discretionary funding for Fiscal 2014.

Performance Measures

The following performance measures are highlighted in the Preliminary Mayor’s Management Report for BPL.

	FY11	FY12	FY13	Target FY14	Target FY15	4-Month Actual FY13	4-Month Actual FY14
Average weekly scheduled hours	35.5	43.5	43.5	43.5	43.5	43.6	42.0
Libraries open six days per week (%)	28%	52%	47%	35%	38%	45%	38%
Circulation	20,280	19,579	17,461	18,500	18,500	6,436	5,542
Reference queries (000)	3,401	3,190	3,525	3,500	3,500	1,098	1,029
Program sessions	43,748	43,355	38,247	40,425	41,324	9,509	11,606
Program attendance	855,713	832,060	664,449	700,000	525,000	180,606	224,011
Total library attendance (000)	12,341	12,024	10,067	10,500	10,500	5,674	3,053

Queens Borough Public Library

The Queens Borough Public Library (QBPL) consists of 63 branch libraries including the Langston Hughes Library and Cultural Center and a Central Library. Over the past year the library system has seen a decrease in attendance at just under 700,000 people attending its programs while program sessions have been on the rise.

Queens Borough Public Library Financial Summary						
<i>Dollars in Thousands</i>						
	2012 Actual	2013 Actual	2014 Adopted	2014 Prelim. Plan	2015 Prelim. Plan	Difference* 2014–2015
QBPL	\$75,017	\$84,188	\$82,931	\$82,931	\$82,801	(\$130)
TOTAL	\$75,017	\$84,188	\$82,931	\$82,931	\$82,801	(\$130)

*Difference refers to the variance between the Fiscal 2014 Adopted Budget and the Fiscal 2015 Preliminary Plan funding.

Below are the budget highlights to the QBPL system of the proposed budget in Fiscal 2015.

- **Budget Reductions.** The QBPL budget remains relatively unchanged. For Fiscal 2015, there is a year-over-year reduction of \$130,000 as compared to the Fiscal 2014 Adopted Budget. This is due to one-time Council discretionary funding that was allocated to the QBPL.

Performance Measures

The following performance measures are highlighted in the Preliminary Mayor's Management Report for QBPL.

	FY11	FY12	FY13	Target FY14	Target FY15	4-Month Actual FY13	4-Month Actual FY14
Average weekly scheduled hours	39.3	39.6	39.6	39.2	39.2	39.9	39.3
Libraries open six days per week (%)	38%	32%	33%	33%	33%	31%	33%
Circulation	20,609	18,632	17,470	17,000	17,000	6,070	5,850
Reference queries (000)	3,177	2,929	4,360	4,000	4,000	1,808	1,937
Program sessions	29,638	37,717	38,040	38,100	39,000	12,136	13,274
Program attendance	598,931	712,849	664,851	675,850	700,000	219,065	257,143
Total library attendance (000)	12,966	12,681	11,888	11,880	11,880	4,212	4,108

Capital Program

Capital Budget Summary

The Preliminary 2014 Capital Commitment Plan includes nearly \$570 million in Fiscal 2014-2017 for the three public library systems (including City and Non-City funds). This represents about three percent of the City's total \$21.3 billion Capital Commitment Plan for Fiscal 2014-2017. The total City Capital Commitment Plan for Fiscal 2014 has increased from \$21.2 billion in the November Capital Commitment Plan to \$21.3 billion in the Preliminary Capital Commitment Plan, an increase of \$163 million, or less than one percent. For the three library systems, the Capital Commitment Plan has increased \$1.2 million or .22 percent from the November Plan of \$568.6 million to \$569.9 million in the Preliminary Plan.

The majority of capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal Year 2013 the three systems committed \$26.6 million or about eight percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2014 Capital Plan will be rolled into Fiscal 2015, thus increasing the size of the Fiscal 2015-2018 Capital Plan.

2014-2017 Commitment Plan: November and Preliminary Budget

Dollars in Thousands

	FY14	FY15	FY16	FY17	Total
November					
Total Capital Plan	\$515,397	\$47,350	\$3,845	\$2,095	\$568,687
Preliminary					
Total Capital Plan	\$516,623	\$47,350	\$3,845	\$2,095	\$569,913
Change					
Level	\$1,226	\$0	\$0	\$0	\$1,226
Percentage	0.24%	0.00%	0.00%	0.00%	0.22%

Capital Program Goals

- ✓ To support service levels by maintaining, improving, and optimizing the operation of library facilities;
- ✓ To phase infrastructure improvements for full ADA compliant access at all sites;
- ✓ To preserve unique and irreplaceable collections through improved environmental systems, security, and fire protection, and increased storage capacity;
- ✓ To improve the management of data through enhancement of computerized records management systems; and
- ✓ To provide remote access to digital collections, expand personal computer stations and offer free internet service at the branch libraries by improving information technology systems.

Preliminary Budget Highlights

Major changes and highlights in the Department's Preliminary Capital Plan for Fiscal 2014-2017 include:

- **New York Public Library.** The Preliminary Budget includes \$285.7 million (including city and non-city) in Fiscal 2014 and in the outyears. Plan highlights include \$106.2 million in capital funding for the Central Library construction and renovations and an additional \$8 million is for the replacement and construction of the Westchester branch.
- **Queens Borough Public Library.** The Preliminary Budget includes \$170.6 million (including city and non-city) in the Capital commitment plan. The planned commitments in the Preliminary Plan include \$18 million for the Far Rockaway branch and roughly \$15 million for the Central Library Plan including fire alarm, roof and ejector pumps upgrade.
- **Brooklyn Public Library.** In the Preliminary Budget, there is \$91.4 million for BPL capital plans (including city and non-city). Roughly \$7 million is planned for the BPL Central Library renovation and an additional \$4 million for a youth services library.
- **New York Research Libraries.** There is \$20.9 million in the Fiscal 2014 Preliminary Capital Commitment Plan. Majority of the capital funding is attributed to the renovations at the Schomburg Center for Research.

Appendix A

Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$18,508	\$0	\$18,508	\$14,975	\$0	\$14,975
NYPL	88,336	0	88,336	72,591	0	72,591
BPL	65,173	0	65,173	53,994	0	53,994
QBPL	64,836	0	64,836	53,261	0	53,261
Agency Budget as of Adopted 2014 Plan	\$236,853	\$0	\$236,853	\$194,821	\$0	\$194,821
Other Adjustments						
NYPL Intracity Adjustments	\$0	\$124	\$124	\$0	\$0	\$0
BPL Intracity Adjustments	0	296	296	0	0	0
QBPL Intracity Adjustments	0	372	372	0	0	0
QBPL City Adjustments	24	0	24	0	0	0
BPL City Adjustments	17	0	17	0	0	0
NYPL Subsidy	0	0	0	39,517	0	39,517
NYPL Research Subsidy	0	0	0	7,647	0	7,647
BPL Subsidy	0	0	0	29,631	0	29,631
QBPL Subsidy	0	0	0	29,540	0	29,540
NYPL - YMI and CEO ADJ	0	1,400	1400	0	0	0
NYPL Research Prepayment	4129	0	4129	0	0	0
NYPL Prepayment	23772	0	23,772	0	0	0
BPL Prepayment	18460	0	18,460	0	0	0
QBPL Prepayment	18095	0	18,095	0	0	0
Total, Other Adjustments	\$64,497	\$2,192	\$66,689	\$106,335	\$0	\$106,335
NYPL Research	\$22,637	\$0	\$22,637	\$22,622	\$0	\$22,622
NYPL	112,108	1,524	113,632	112,108	0	112,108
BPL	83,633	296	83,929	83,625	0	83,625
QBPL	82,931	372	83,303	82,801	0	82,801
Agency Budget as of Prelim 2015 Plan	\$301,309	\$2,192	\$303,501	\$301,156	\$0	\$301,156