

THE COUNCIL OF THE CITY OF NEW YORK

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



Report of the Finance Division on the
Fiscal 2020 Preliminary Plan and the
Fiscal 2019 Preliminary Mayor's Management Report for the

Department of Cultural Affairs

March 11, 2019

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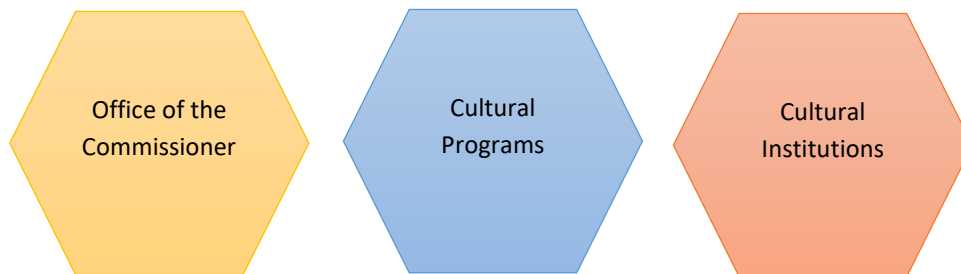
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Department of Cultural Affairs Overview

The Department of Cultural Affairs (DCLA) provides support, advocacy, and technical assistance to the City's cultural community to ensure that the arts remain a central feature of civic and economic life in the City.

Agency Program Areas



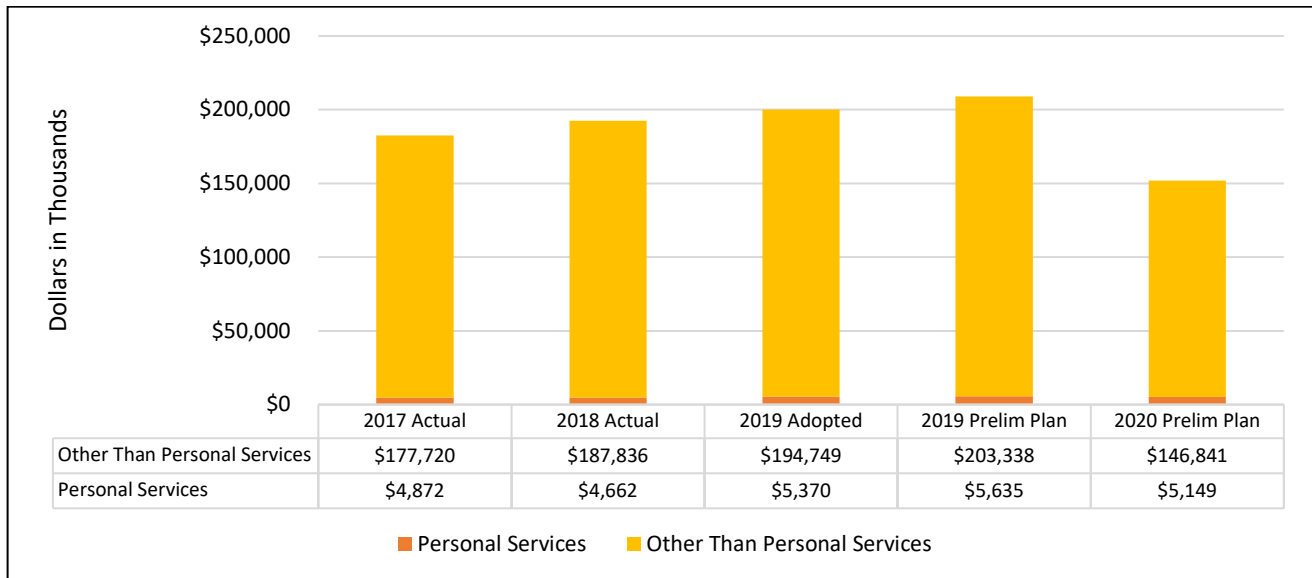
DCLA's activities are outlined below:

- The agency funds both energy and a portion of operating support for the 34 city-owned cultural institutions of the Cultural Institutions Group (CIG or Institutions). Until Fiscal 2016, energy subsidies were provided only to members of the Cultural Institutions Group (CIG). In Fiscal 2017, DCLA expanded the subsidy to all cultural organizations on property in DCLA's jurisdiction;
- The agency administers funds supporting groups that provide cultural experiences for the City's residents and visitors;
- The agency provides capital design, construction and equipment funds for institutions and other cultural groups in City-owned and non-City-owned facilities;
- The agency operates the Materials for the Arts ("MFTA") program, which distributes donated arts materials to public schools, cultural organizations, and social service programs;
- The agency manages the Percent for Art program through which one percent of the budget for eligible municipal capital projects is allocated to the commission and installation of a work for permanent public art. Nearly 300 projects have been completed since the program's inception with accumulated art work commissions of over \$41 million;
- The agency collaborates with other City agencies in a long-term initiative called AREA that will grow the City's supply of affordable housing and workspace for artists over the next ten years;
- The agency released CreateNYC, New York City's first-ever cultural plan. Fueled by the feedback during CreateNYC's planning phase, in Fiscal 2018 and Fiscal 2019, DCLA directed more public funds to underserved, low-income neighborhoods and populations. New programs were also launched, including the Disability Forward Fund, which specifically supports organizations that deepen engagement in the arts for people with disabilities, and the CreateNYC Leadership Accelerator— designed to invest in mid-level cultural workers and promote diversity and equity in the cultural workforce.
- The agency facilitates IDNYC and cardholders are now eligible for free one-year memberships at over 40 participating institutions; and
- The agency launched CUNY Cultural Corps to support paid internships at cultural organizations across the City.

Fiscal 2020 Preliminary Budget Highlights

The Fiscal 2020 Preliminary Budget for DCLA stands at \$152 million (including City and Non-City funds), which is less than one percent of the City’s total budget. This is \$48.1 million lower than the Fiscal 2019 Adopted Budget of \$200.1 million and includes no new needs and \$2.2 million in other adjustments. The reductions are largely a function of City Council funds in Fiscal 2019, which are not included in Fiscal 2020.

Figure 1: Budget Overview: PS vs. OTPS



Highlights of DCLA’s Fiscal 2020 Preliminary Plan and Fiscal 2019 November Plan are provided below. Appendix A lists the adjustments in the Fiscal 2019 November Plan and the Fiscal 2020 Preliminary Plan which brings the agency’s Fiscal 2020 Preliminary Budget to \$152 million.

There are no new needs in the Fiscal 2020 Preliminary Plan and the adjustments total \$541,000 million in Fiscal 2019 and \$12,000 in Fiscal 2020. Below are details on the major adjustments in the Fiscal 2020 Preliminary Plan.

- Collective Bargaining Increase.** The Fiscal 2020 Preliminary Plan includes an increase of \$64,334 in Fiscal 2019, \$103,030 in Fiscal 2020 and \$117,105 in Fiscal 2021 to Fiscal 2023 for adjustments related to collective bargaining agreement.
- EXCEL Projects Round 2.** The Fiscal 2020 Preliminary Plan includes an increase of \$115,000 in Fiscal 2019 as a result of a Memorandum of Understanding (MOU) with the Department of Citywide Administrative Services (DCAS). EXCEL is the Expense for Conservation and Efficiency Leadership program, which uses PlaNYC expense funding for energy conservation initiatives.

Funds will be used for energy efficiency operations and maintenance measures, tools and equipment to assist facilities personnel, training programs, and outreach and communication efforts for awareness activities. Through this program, the Administration supports energy sustainability and funds cost-effective energy efficiency activities. DCLA reimbursed the cultural institutions for participating in the energy savings program.
- PS Re-Estimates.** The Fiscal 2020 Preliminary Plan includes a decrease of \$102,000 in Fiscal 2019 and \$95,000 in Fiscal 2020 as a result of agency re-estimates. This was achieved through cash savings from the Personal Services budget due to vacancies and attrition.

Financial Plan Summary

The following table, provides an overview of the Department's total budget from Fiscal 2017 to the Preliminary Plan for Fiscal 2020, as well as the agency's funding sources.

Table 1: Financial Summary

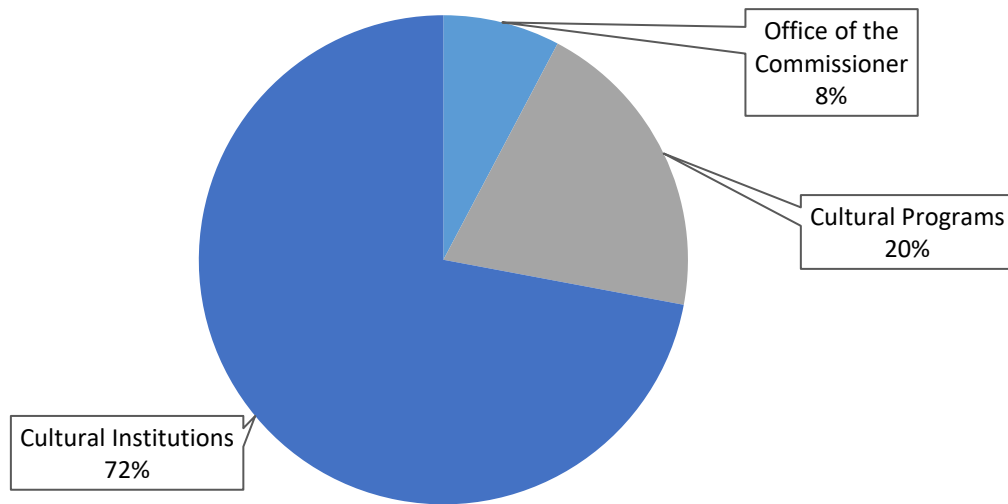
<i>Dollars in Thousands</i>	FY17	FY18	FY19	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Spending						
Personal Services	\$4,872	\$4,662	\$5,370	\$5,635	\$5,149	(\$220)
Other Than Personal Services	177,720	187,836	194,749	203,338	146,841	(47,909)
TOTAL	\$182,593	\$192,497	\$200,119	\$208,973	\$151,990	(\$48,129)
Budget by Program Area						
Office of the Commissioner	\$6,816	\$6,482	\$7,231	\$8,038	\$11,760	\$4,530
Cultural Programs	58,807	65,899	73,824	72,853	30,718	(43,105)
Cultural Institutions	116,970	120,117	119,065	128,083	109,512	(9,553)
TOTAL	\$182,593	\$192,497	\$200,119	\$208,973	\$151,990	(\$48,129)
Funding						
City Funds			\$198,441	\$200,292	\$151,469	(\$46,972)
Other Categorical			1,000	3,012	0	(1,000)
Capital- IFA			243	246	248	5
State			3	3	3	0
Federal - CD			251	390	258	7
Intra City			180	5,030	11	(169)
TOTAL	\$182,593	\$192,497	\$200,119	\$208,973	\$151,990	(\$48,129)
Budgeted Headcount						
Full-Time Positions - Civilian	53	50	60	60	58	(2)
TOTAL	53	50	60	60	58	(2)

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.

The proposed budget for DCLA in Fiscal 2020 is \$152 million, which is \$48.1 million or 24 percent less than the Fiscal 2019 Adopted Budget. The decrease is a result of a reduction of \$43.1 million in funding for Cultural Programs and \$9.6 million in funding for Cultural Institutions offset by an increase of \$4.5 million for the Office of the Commissioner. The \$48.1 million decrease is mostly due to Council discretionary funding in Fiscal 2019 that is not included in the Fiscal 2020 Preliminary Budget. The headcount decrease in the Fiscal 2020 Preliminary Plan when compared to the Fiscal 2019 Adopted Plan is a result of agency re-estimates.

Only eight percent of the Department's total budget covers direct agency expenses; the remaining 92 percent of the Department's budget supports the Cultural Institution Groups (CIGs) and other arts organizations. DCLA's budget is largely funded by City funds, which comprises 99 percent of the budget.

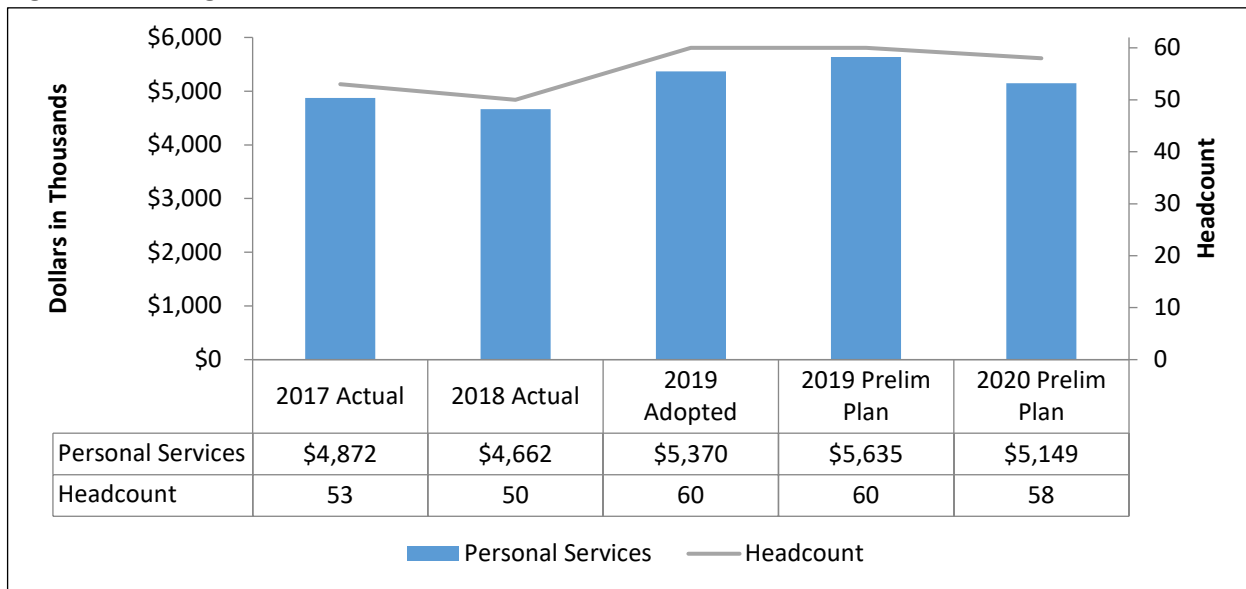
Figure 2: Fiscal 2020 Budget Breakdown by Program Area



Headcount

The Department’s Fiscal 2020 Preliminary Budget provides for 58 full-time positions across all divisions. This is two less than the Fiscal 2019 Adopted Budget of 60 positions. The Fiscal 2019 November Plan included a decrease of \$100,000 in Fiscal 2019 and Fiscal 2020 and the Fiscal 2020 Preliminary Plan includes a decrease of \$102,000 in Fiscal 2019 and \$95,000 in Fiscal 2020 as a result of agency re-estimates and the loss of two full-time positions.

Figure 4: PS Budget and Headcount



Contract Budget

The New York City Charter mandates the preparation of a contract budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided

to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

The following table provides the Department of Cultural Affairs Preliminary Contract Budget for Fiscal 2020.

Table 2: Fiscal 2020 Preliminary Contract Budget

Category	FY19 Adopted	Number of Contracts	FY20 Preliminary	Number of Contracts	Difference
Telecommunications Maintenance	\$1,481	1	\$1,481	1	\$0
Maintenance and Repairs – General	30,150	1	30,150	1	0
Office Equipment Maintenance	14,591	1	14,591	1	0
Printing Services	440	1	440	1	0
Temporary Services	3,280	1	3,280	1	0
Cleaning Services	34,814	1	34,814	1	0
Payments to Cultural Institutions	72,973,560	651	30,218,106	651	(42,755,454)
Prof. Services - Engineering and Architectural Services	10,000	1	10,000	1	0
Prof. Services – Other	49,000	1	49,000	1	0
TOTAL	\$73,117,316	659	\$30,361,862	659	(\$42,755,454)

The City's total proposed Contract Budget is \$15.9 billion in Fiscal 2020, which is \$0.7 billion less than the Fiscal 2019 Adopted Budget of \$16.6 billion. The Department's Contract Budget totals \$30.4 million in Fiscal 2020, a decrease of 58.5 percent when compared to the Fiscal 2019 Adopted Budget of \$73.1 million. The \$42.3 million decrease is primarily due to Council discretionary funding in Fiscal 2019, which is not included in the Fiscal 2020 Preliminary Budget.

Council Initiatives

The Council funds a diverse array of cultural initiatives that focuses on a wide range of New Yorkers, including young filmmakers, seniors, immigrants and students in all five boroughs. The organizations supported by these initiatives, many of which are smaller than those traditionally supported by the City, provide creative and innovative programming that strengthen the diverse fabric of the City through activities such as providing art enrichment to the young and increasing access to the unique cultural offerings of immigrant heritages.

The Council's funding ensures that the arts remain a central feature of civic and economic life in the City. In Fiscal 2019, almost all existing cultural initiatives were expanded. Appendix F provides a description of each of the initiatives listed below.

Table 3: Fiscal 2020 Preliminary Contract Budget

<i>Dollars in Thousands</i>	
Initiative	Amount
Cultural After School Adventure (CASA)	\$15,100
Coalition of Theaters of Color	1,965
Cultural Immigrant Initiative	6,330
Ghetto Film School (GFS) Accelerator Program Model	75
Anti-Gun Violence – Art a Catalyst for Change	720
SU-CASA	3,315
Anti-Poverty/Local/Speaker/Borough	6,112
TOTAL	\$33,617

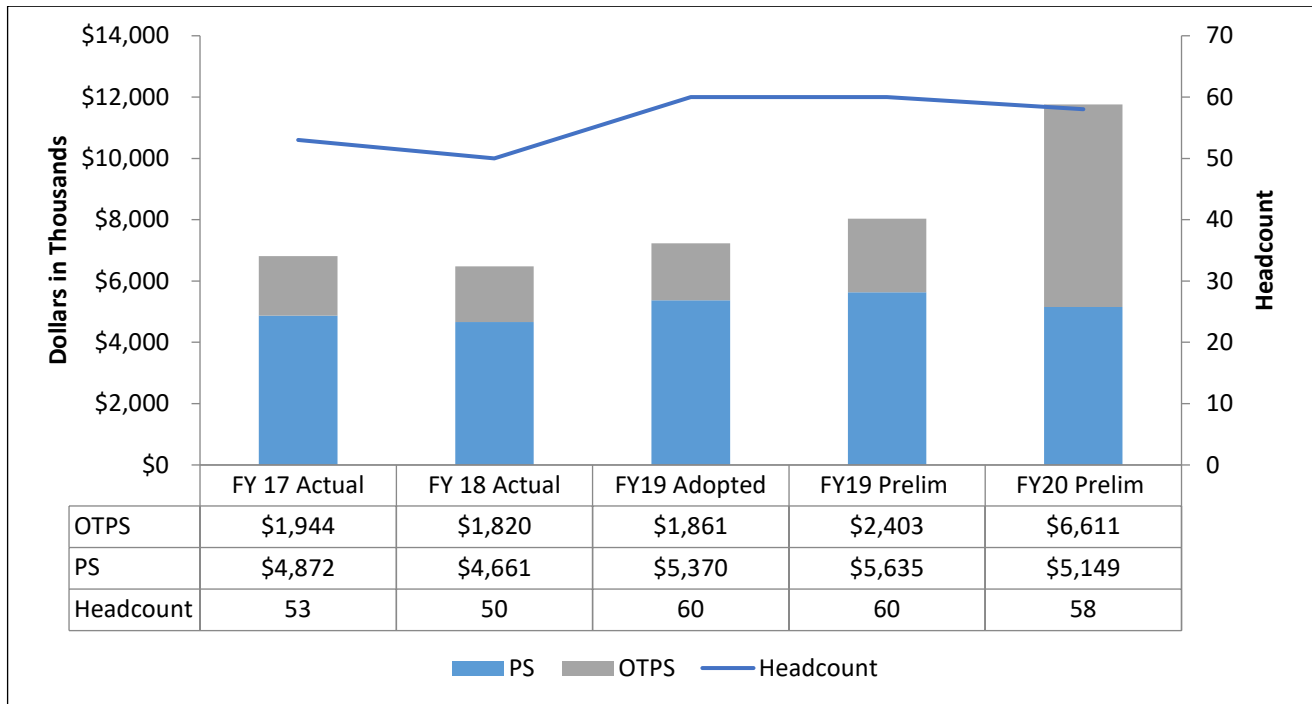
Program Areas

Office of the Commissioner

The Office of the Commissioner is responsible for the administration and monitoring of funds for the CIGs and the Cultural Development Fund (CDF). The area also assists (with other City agencies) in the management of various capital construction projects in both city-owned and non-city-owned facilities housing cultural programs and other cultural groups.

In addition, the Office of the Commissioner manages many public cultural events throughout the year. The chart below includes funding for the Materials for the Arts (MFTA) program, which distributes donated arts materials to public schools, cultural organizations, and social service programs and the Percent for Art program that commissions works of art in public spaces.

Figure 5: Budget Overview - Office of the Commissioner



The Department’s Fiscal 2020 Preliminary Budget includes \$11.8 million for Office of the Commissioner, \$4.5 million more than the Fiscal 2019 Adopted Budget of \$7.2 million. This program area is mostly funded through City funds which is 97 percent of the budget.

This increase is a result of baseline funding of \$5 million in Fiscal 2020 for the CreateNYC Cultural Plan Initiatives which has not been allocated yet, offset by multiple smaller decreases including \$110,000 for two Monument Special Project archivists and \$250,000 for a pilot program to assist cultural organizations in providing more accurate, comprehensive project scope and cost estimates prior to initiating projects with the Department of Design and Construction (DDC).

PMMR Performance Measures**Table 4: Agency Indicators**

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
E-mails responded to in 14 days (%)	95%	89%	84%	88%	88%	80%	89%
Letters responded to in 14 days (%)	100%	100%	100%	90%	90%	100%	100%
MFTA transactions	6,376	6,356	6,550	5,300	5,300	2,085	2,091
Schools, non-profits and City/State agencies served by Materials for the Arts (MFTA)	2,117	2,165	2,168	*	*	1,232	1,170
Capital projects authorized to proceed	48	67	45	*	*	NA	NA
Capital projects initiated (%)	96%	99%	69%	66%	66%	NA	NA

The first four months of Fiscal 2019 show an improvement in the timeliness of the agency's response to emails when compared to the same period in Fiscal 2018. In the PMMR the agency states that during the first four months of Fiscal 2019, the number of school visits to Materials for the Arts (MFTA) increased by 43 percent, due to a heavy promotional push in late August for teachers to visit before the start of the school year. However, the data provided by the agency actually shows a decline.

There was a slight increase in the total number of MFTA transactions through a visit to the warehouse or by directly picking up an item(s) from a donor. Highlights from the donations during this period included office furniture and supplies from the United Nations totaling over 7,000 pounds, and valued at \$15 million. Items such as workstations and desks were donated to Forest Hills High School in Queens, and the Department of Sanitation, among others.

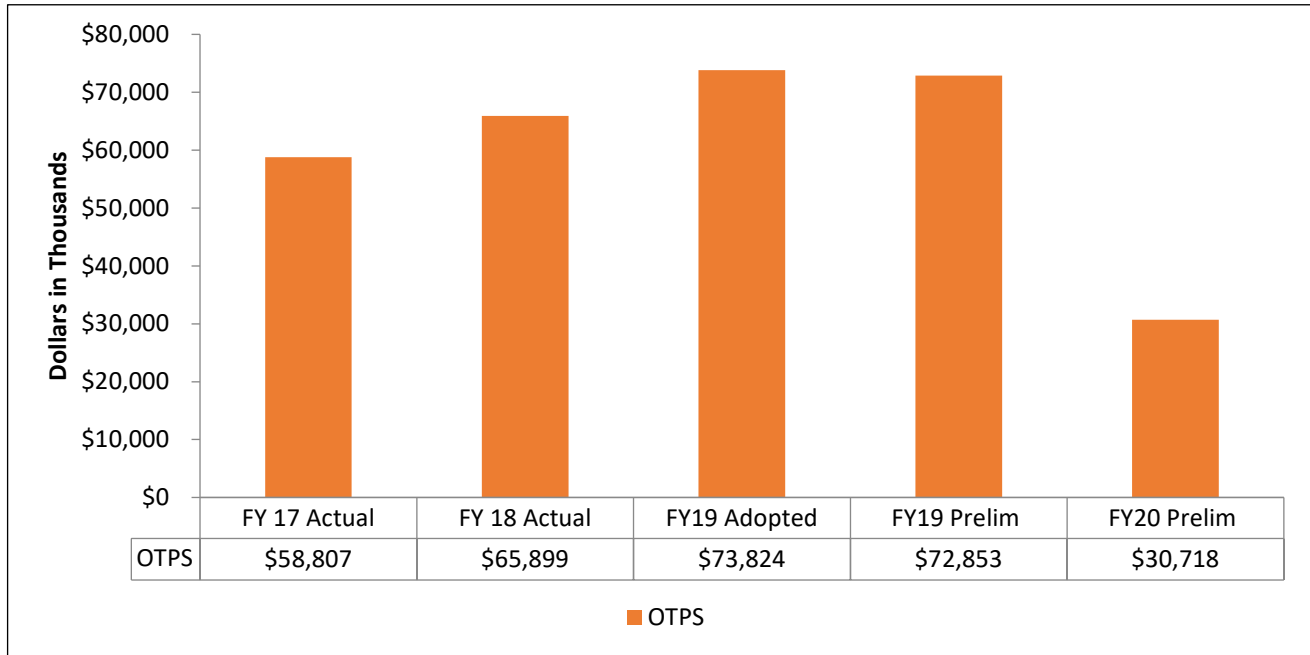
Cultural Programs

Non-profit cultural institutions and programs are one of the leading economic engines of the City. Cultural Organizations generate billions in taxable revenue, provide unparalleled educational opportunities for children and adults throughout the five boroughs and are a major employer of tens of thousands of New York City residents. The funding in this program area is primarily for the Cultural Development Fund (CDF). Organizations that wish to receive City funding must go through a peer-based, merit-review application process. Additionally, there is funding in this area for special initiatives like the Cultural After School Adventure (CASA) and the Cultural Immigrant Initiative. Approximately, 99 percent of contractual spending for this area is for payments to CDF recipients.

Programs include the Artist-in-Residence program where DCLA partners with agencies such as the Administration for Children Services (ACS) and the Mayor's Office of Immigrant Affairs (MOIA) for an artist or artist collective to develop and implement a project that educates the community about the services provided by the agency. For example, internationally acclaimed artist Tania Bruguera serves as an artist-in-residence at MOIA where she helps the office engage communities with large numbers of undocumented residents about IDNYC, New York City's municipal ID program. This collaboration aims to educate undocumented residents about the services the City has created with IDNYC.

DCLA collaborates with various city agencies in providing services for New Yorkers in all five boroughs. NYCxDESIGN (NYC by Design) is a five-borough, multiday event that serves as an annual exposition to celebrate New York City's contributions to design and helps leverage the sector's enormous potential for economic growth. NYCxDESIGN kicks off a diverse slate of year-round design happenings and events in New York City. The event showcases the City's most renowned design institutions, retailers, manufacturers, entrepreneurs, curators, educators, editors, and designers.

Figure 7: Budget Overview – Cultural Programs



The Department’s Fiscal 2020 Preliminary Budget includes almost \$30.7 million for cultural programs, \$43.1 million less than planned in the Fiscal 2019 Adopted Budget. The \$43.1 million decrease is due to \$31.3 million in Council discretionary funding in Fiscal 2019 which is not included in Fiscal 2020 and omissions of one-time funding of \$11.5 million for the CreateNYC Cultural Plan. This program area is mostly funded through City funds which is 99 percent of the budget.

PMMR Performance Measures

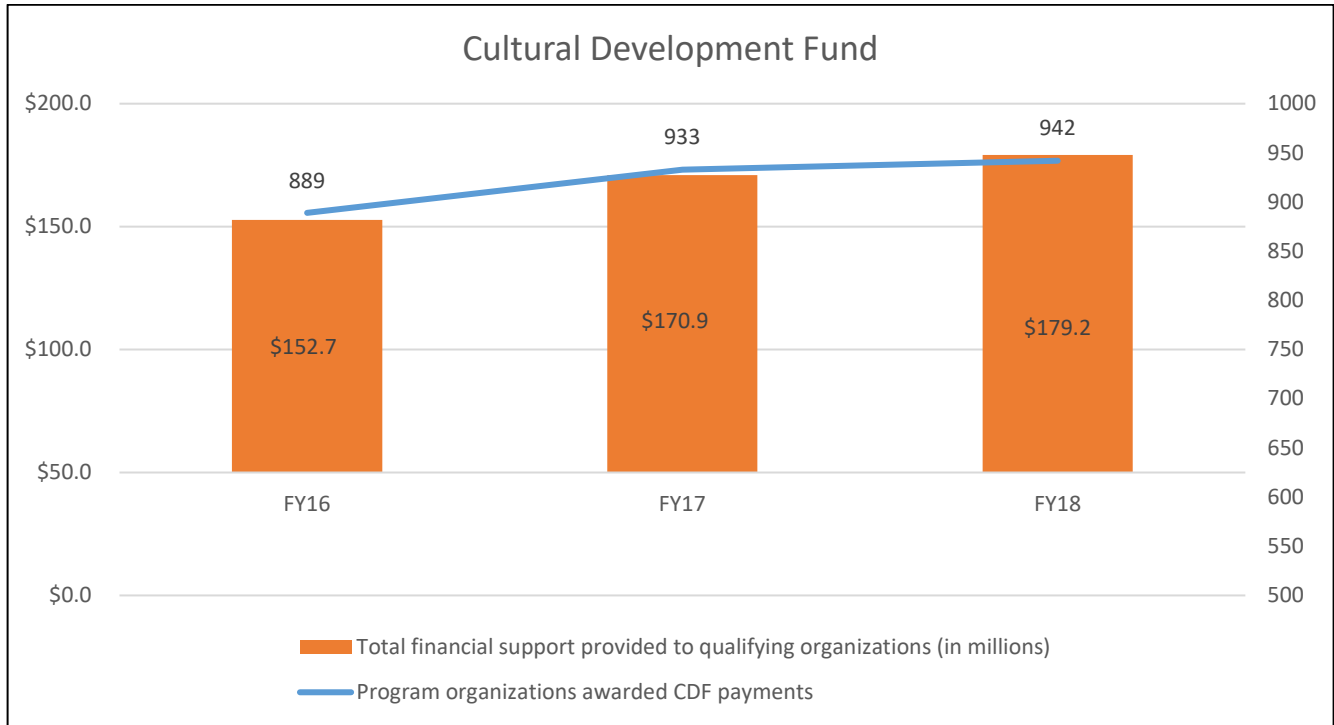
Table 5: Agency Indicators

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Average days to issue initial Cultural Development Fund (CDF) payments after complying with all City requirements	4	6	6	7	7	NA	NA
Average days to issue final CDF payments	4	4	4	5	5	NA	NA
Program organizations awarded CDF payments	889	933	942	*	*	941	970
Total financial support provided to qualifying organizations (\$000,000)	\$152.7	\$170.9	\$179.2	*	*	NA	NA

Cultural Development Fund (CDF)

The number of organizations receiving assistance from the agency through the Cultural Development Fund (CDF) has seen an upward trend over the years. Along with that, the total financial support has also gone up over the years. DCLA did not issue any initial grant payments through the Cultural Development Fund until early November. This delay in processing grant payments was due to the time required to put a number of the CreateNYC Cultural Plan actions into effect within the Fiscal 2019 grant cycle.

Figure 9: Budget Overview – Cultural Development Fund



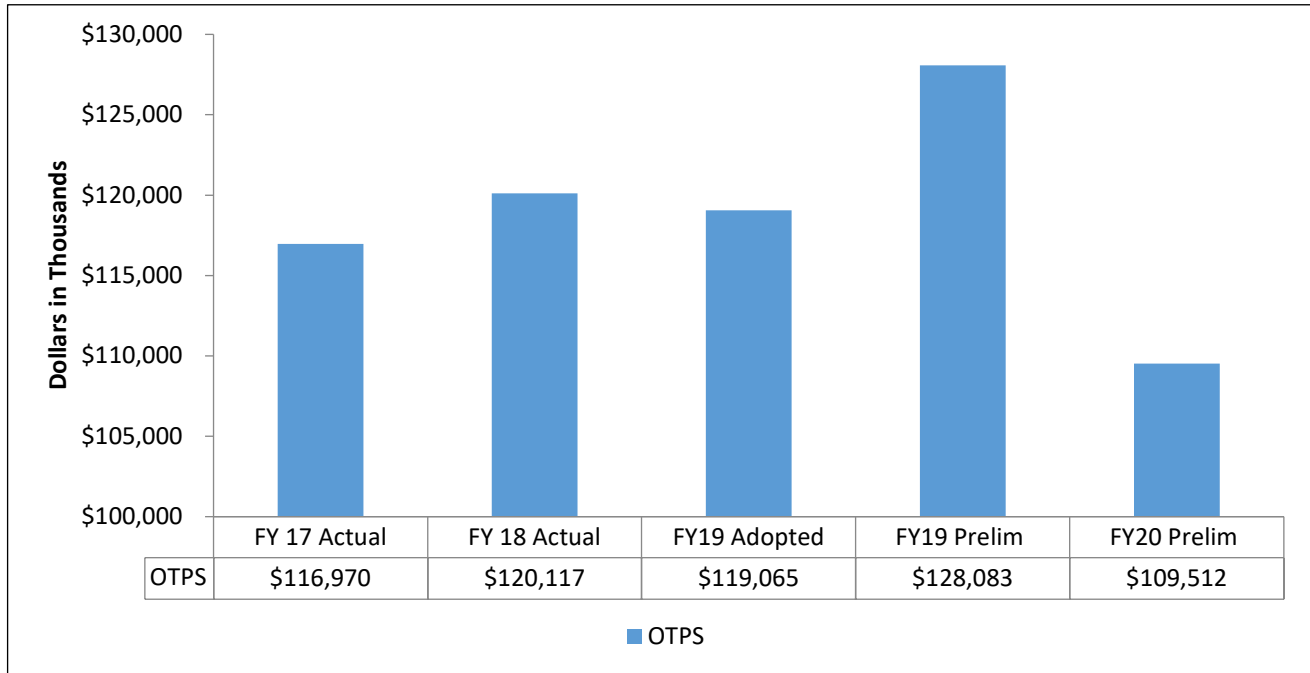
Cultural Institutions

The basic framework for the public-private partnerships between New York City and its 34 cultural institutions was established in the 19th century. The State of New York passed legislation that incorporated the institutions and authorized the City to build facilities and lease them and the city-owned parkland on which they sat to private institutions.

The partnership stipulated that the City would provide these institutions with land, facilities, and funds for maintenance and security. The private institutions in turn would develop specialized cultural services and collections which would be available to the general public.

These 34 cultural institutions are members of the Cultural Institutions Group (CIG). Appendix C provides a list of the members of the Cultural Institution Group, including the year they were founded and incorporated.

Figure 10: Budget Overview – Cultural Institutions



The Department’s Fiscal 2020 Preliminary Budget includes almost \$109.5 million for Cultural Institutions, \$9.6 million less than planned in the Fiscal 2019 Adopted Budget.

The \$9.6 million decrease is a result of the absence of one-time funding of \$7 million for the CreateNYC Cultural Plan, \$2.8 million in Council discretionary funding in Fiscal 2019 not included in Fiscal 2020 and \$1 million in adjustment of projected revenue from the MET’s admissions policy change.

These decreases are offset by an increase of \$2.3 million for collective bargaining costs. This program area is funded through City funds.

PMMR Performance Measures

Total visitors to the Cultural Institutions Group saw an increase in Fiscal 2018 from the prior year while visitors using free admission and tickets remained the same. Operating support payments to the City’s Cultural Institutions Group within the 5-day performance standard rose significantly from 67 percent in the first four months of Fiscal 2018 to 100 percent in the first four months of Fiscal 2019. In Fiscal 2018 the delay in processing was due to multiple staff absences in one month, which in a small agency can have a significant impact on operations. The short-term situation was resolved.

Table 6: Agency Indicators

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Operating support payments made to Cultural Institutions Group by the 5th day of each month (%)	100%	100%	91%	100%	100%	67%	100%
Total visitors to the Cultural Institutions Group (000)	23,236	22,785	23,180	*	*	NA	NA
Visitors using free admission and/or tickets (%)	31%	27%	27%	*	*	NA	NA

Capital Plan Overview

On February 7, 2019, the Administration released the Preliminary Ten-Year Capital Strategy for Fiscal Years 2020-2029 (the Ten-Year Strategy), the Capital Commitment Plan for Fiscal 2019-2023 (the Commitment Plan) and the Fiscal 2020 Preliminary Capital Budget (the Capital Budget)

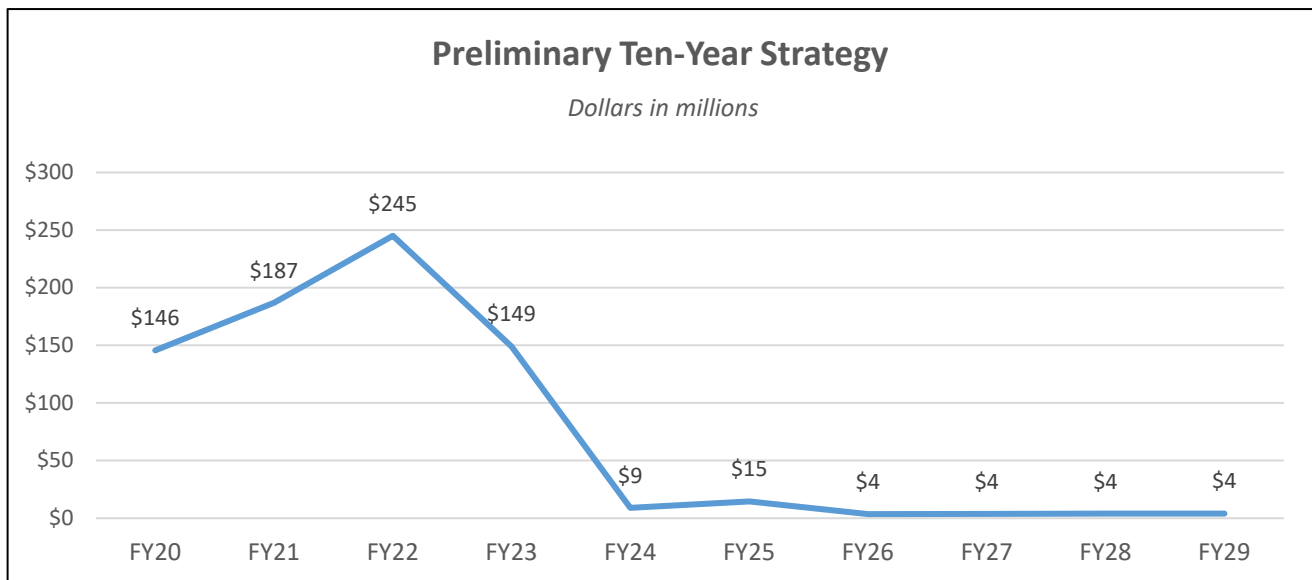
This section will provide an overview of the Preliminary Ten-Year Strategy, Commitment Plan and Capital Budget for the Department of Cultural Affairs (DCLA). Each one of these documents should support and be well integrated with one another to properly execute the City’s capital projects, as well as meet its infrastructure goals. We will examine to what extent this is occurring, where improvements need to be made, and the overall feasibility of DCLA’s capital program.

Preliminary Ten-Year Capital Strategy Fiscal 2020-2029

The Ten-Year Strategy is the City’s long term capital planning document which provides a framework for capital spending by agency. The Strategy is released every two years as mandated by the City Charter.

The City’s Ten-Year Capital Strategy for Fiscal 2020-2029 totals \$104.1 billion in all funds. Mandated by the New York City Charter, the Strategy provides information on the comprehensive infrastructure planning that the City undertakes and explains the connection between capital investment and strategic priorities. It is designed to help prioritize investment decisions across all capital agencies and communicate to the public an integrated approach to capital planning across infrastructure types, in line with the growth of the City.

For the Department of Cultural Affairs, the Ten-Year Strategy provides \$766.6 million in Fiscal 2020–2029 for capital construction and reconstruction projects. This is \$334.8 million greater than what was in the final Ten-Year Capital Strategy for the agency the last time it was released in Fiscal 2018 for the period Fiscal 2018-2027.



As illustrated in the chart above, the Ten-Year Capital Strategy contains almost all of its capital spending in the first four years. Unfortunately, this planning pattern is repeated in many other City agencies Ten-Year Strategies. The above spending plan essentially cuts capital spending to almost

nothing for six out of the ten years of the plan. Hopefully, this Ten-Year Strategy this does not reflect accurately how the funds will be used.

The Department’s capital funding is divided into three categories of needs as illustrated by the chart below.

Figure 10: Fiscal 2020-2029 Preliminary Ten-Year Capital Strategy

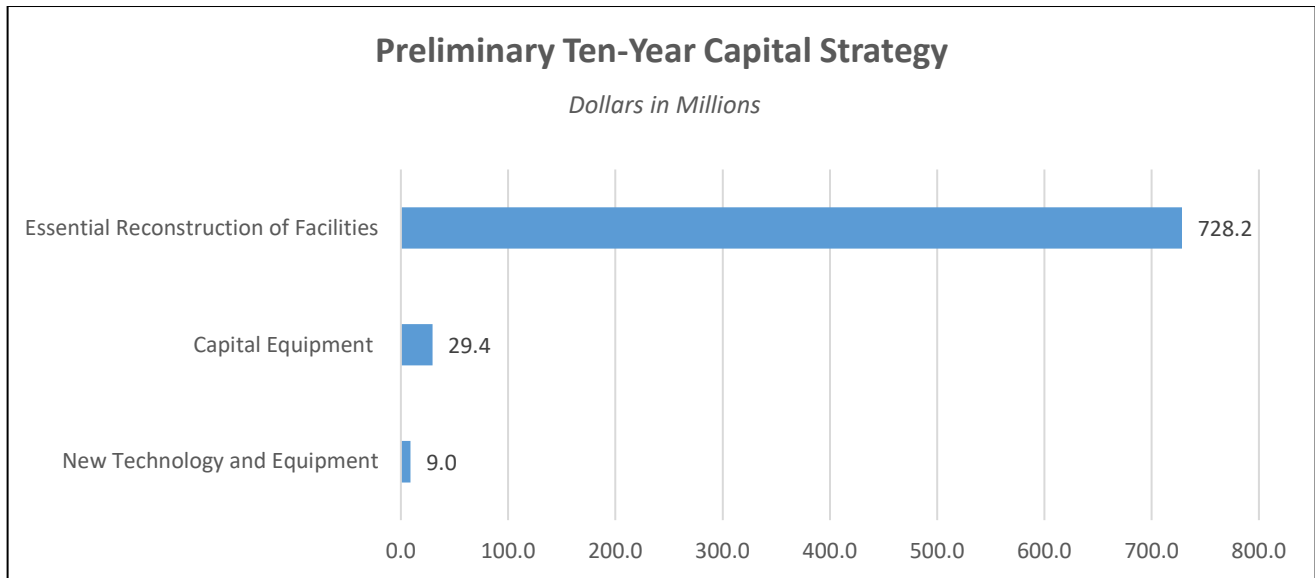


Table 7: DCLA Ten-Year Capital Strategy by Category - Fiscal Years 2020-2029

<i>Dollars in Thousands</i>	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Capital Equipment	\$6,742	\$6,431	\$2,834	\$13,005	\$227	\$128	\$0	\$0	\$0	\$0	\$29,367
Essential Reconstruction of Facility	131,062	180,607	242,871	134,959	9,003	14,470	3,609	3,720	3,869	4,024	728,194
New Technology and Equipment	7793	0	0	1206	0	0	0	0	0	0	8,999
TOTAL	\$145,597	\$187,038	\$245,705	\$149,170	\$9,230	\$14,598	\$3,609	\$3,720	\$3,869	\$4,024	\$766,560

Highlights of the Preliminary Ten-Year Capital Strategy

The agency is investing \$766.6 million in capital support for the nonprofit cultural community to increase public service, provide greater access for the disabled, enhance exhibition and program space, better maintain and preserve historic buildings and increase protection of botanical, zoological and fine art collections. DCLA’s portfolio includes over 9.8 million gross square feet of space in City-owned buildings operated by the CIG and other cultural organizations under DCLA’s jurisdiction, many of which are landmarks. The agency has a capital program at both city-owned and privately-owned sites and is currently funding more than 472 capital projects on behalf of approximately 220 arts organizations that lead the way in sustainable architecture and design excellence, representing a cultural capital investment of \$766.6 million.

Approximately \$1.8 billion of City funds were committed from 2009 through 2018 for the reconstruction, modernization, and expansion of facilities, in addition to \$308 million planned in 2019.

- **Bronx Children’s Museum.** In Fiscal 2019, \$1 million was added for the construction of a new museum. The Ten-Year Capital Plan includes an additional investment of \$2 million.
- **New York Botanical Garden.** The Ten-Year Capital Plan includes an investment of \$10.3 million for the renovation of the worker’s operation center.

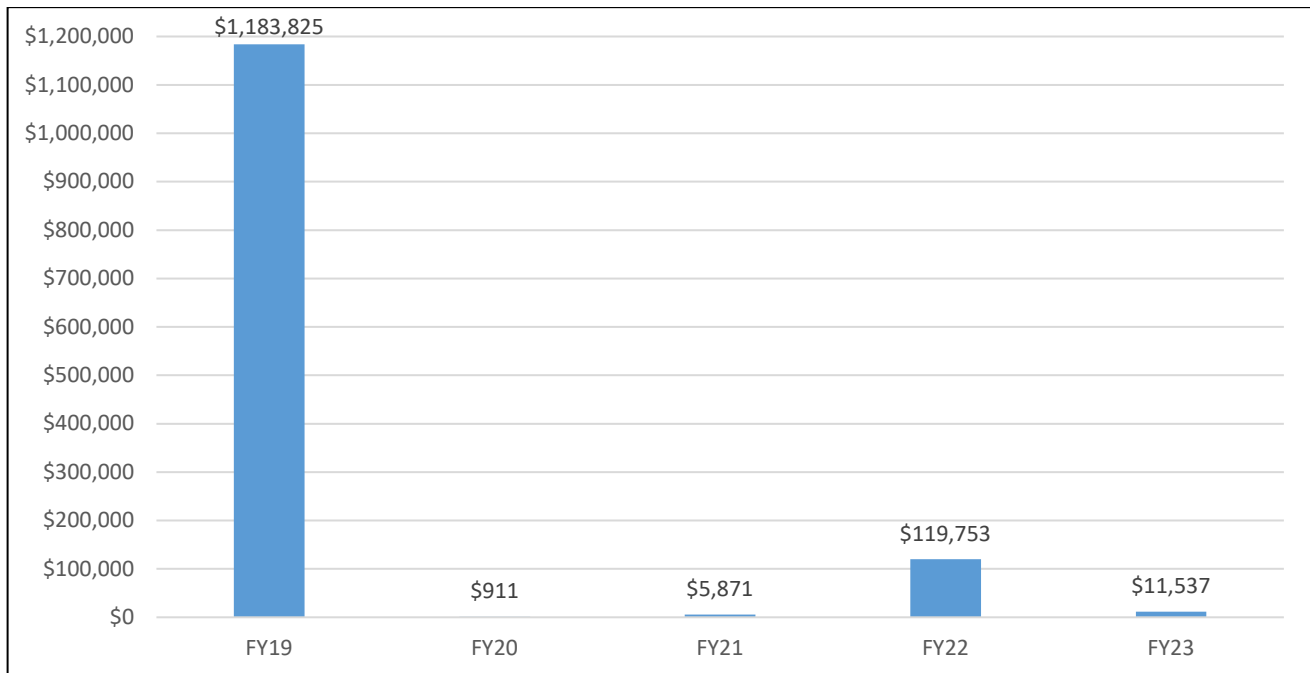
- **Staten Island Zoo.** In Fiscal 2019, \$3 million was added for the restoration of Clove Road. The Ten-Year Capital Plan includes an additional investment of \$3.3 million.
- **Brooklyn Academy of Music.** The Ten-Year Capital Plan includes an investment of \$22.4 million for the development and expansion of the BAM Harvey Theater.
- **Brooklyn Museum.** The Ten-Year Capital Plan includes an investment of \$6 million for the building envelope rehabilitation.
- **MoMA PS1.** The Ten-Year Capital Plan includes an investment of \$18.3 million for various upgrades, improvements and acquisitions.
- **Metropolitan Museum of Art.** The Ten-Year Capital Plan includes an investment of \$19.7 million for the skylights replacement.
- **Queens Museum.** The Ten-Year Capital Plan includes an investment of \$14.7 million for Phase II of the Queens Museum expansion project.
- **Snug Harbor Cultural Center.** In Fiscal 2019, \$29.6 million was added for various upgrades and improvements. The Ten-Year Capital Plan includes an additional investment of \$4.7 million.
- **Queens Botanical Garden.** In Fiscal 2019, \$2.1 million was added for the construction of an education center. The Ten-Year Capital Plan includes an additional investment of \$17 million.
- **Public Theater.** The Ten-Year Capital Plan includes an investment of \$9.8 million for renovation of the Delacorte Theater.
- **South Street Seaport Museum.** The Ten-Year Capital Plan includes an investment of \$7.9 million for Phase II of the restoration of the historic ship Wavertree.
- **Bronx Zoo.** The Ten-Year Capital Plan includes an investment of \$18.1 million for the upgrade of the Con Edison switchgear.
- **Staten Island Museum.** In Fiscal 2019, \$1.7 million was added for the construction of a geothermal heating and cooling system. The Ten-Year Capital Plan includes an additional investment of \$6.7 million.

Capital Program

Fiscal 2020 Preliminary Capital Budget and Commitment Plan for Fiscal 2019-2023

The Capital Budget provides the requested appropriations for Fiscal 2019 and planned appropriations for Fiscal 2020 to Fiscal 2023. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption. The Commitment Plan, which is a five-year spending plan, is the plan to spend those appropriations. The Capital Budget is significantly less than the Capital Commitment Plan because it does not include the current appropriations for Fiscal 2019 or the amount of funding that may be reauthorized or rolled into Fiscal 2020 in the Executive and/or Adopted Budget. This report provides an overview of the Capital Budget and Commitment Plan for DCLA.

Figure 11: Fiscal 2019 Available Appropriations and FY20-23 Capital Budget



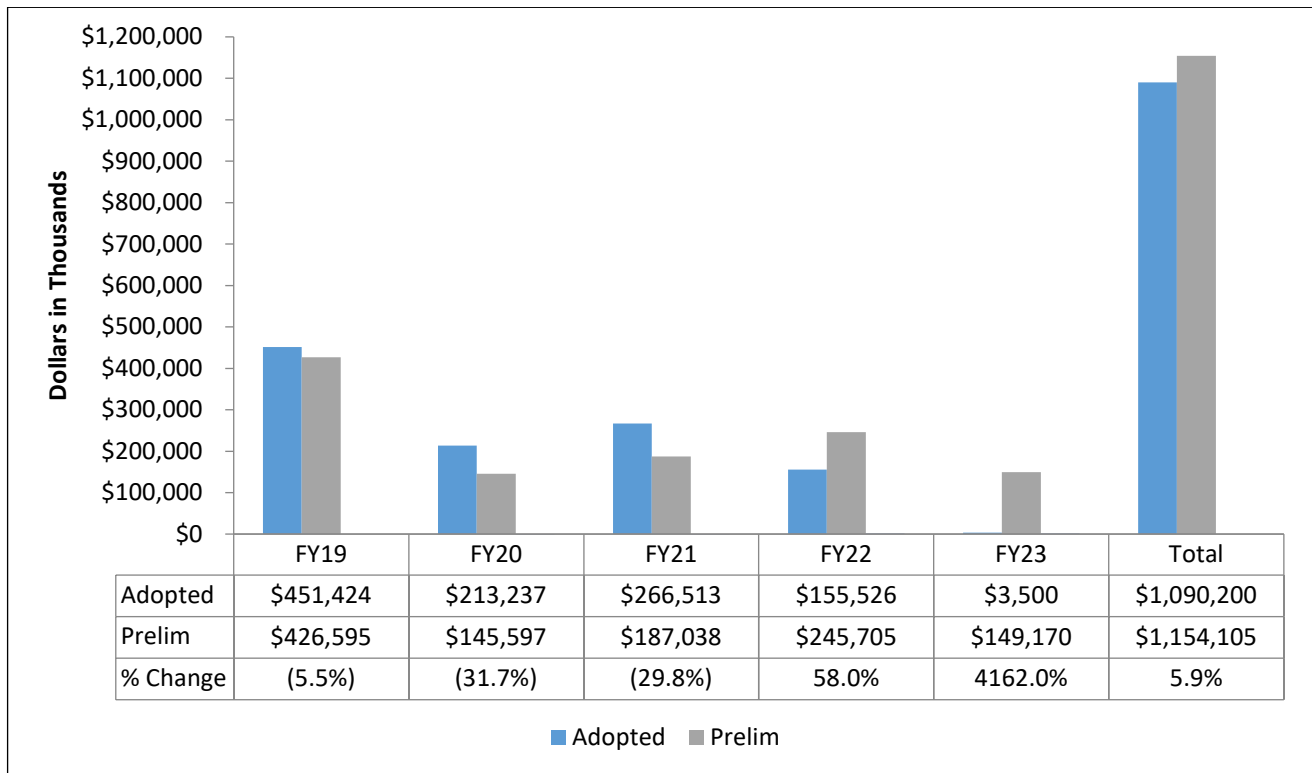
As shown above, the DCLA’s Fiscal 2020 Preliminary Capital Budget includes \$138.1 million in Fiscal 2020-2023. This represents less than one percent of the City’s total \$52.8 billion Capital Budget for Fiscal 2020-2023. Available appropriations for Fiscal 2019 total \$1.2 billion. This includes \$1 billion in reauthorized prior appropriations and \$214.4 million in adopted appropriations for Fiscal 2019, less actual commitments in the current fiscal year.

The Fiscal 2020 Preliminary Capital Commitment Plan includes \$1.2 billion in Fiscal 2019-2023 for the Department of Cultural Affairs (including City and Non-City funds). This represents approximately one and half percent of the City’s total \$83.8 billion Preliminary Plan for Fiscal 2019-2023. The agency’s Preliminary Capital Commitment Plan for Fiscal 2019-2023 is 5.9 percent greater than the \$1.1 billion scheduled in the Adopted Capital Commitment Plan, an increase of approximately \$63.9 million. This Commitment Plan includes 582 budget lines and 640 project IDs.

The total available appropriations for Fiscal 2019 are \$1.2 billion against planned commitments totaling \$426.2 million. This excess balance of more than \$1.1 billion in appropriations gives the Administration considerable flexibility within the capital plan. However, as the commitment of appropriations are legally bound to their budget line descriptions, this flexibility is more limited than it appears from this variance alone.

The majority of the capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. Therefore, it is assumed that a significant portion of the agency’s Fiscal 2019 Capital Plan will be rolled into Fiscal 2020, thus increasing the size of the Fiscal 2019-2023 Capital Plan. In Fiscal 2017, the Department of Cultural Affairs committed \$147.4 million or 27.2 percent of its annual capital plan of \$542 million. In Fiscal 2018, the Department of Cultural Affairs committed \$75.4 million or 21.2 percent of its annual capital plan of \$358.7 million. DCLA’s decline in its commitment rate is especially disappointing since the City as a whole attained a commitment rate of 70 percent.

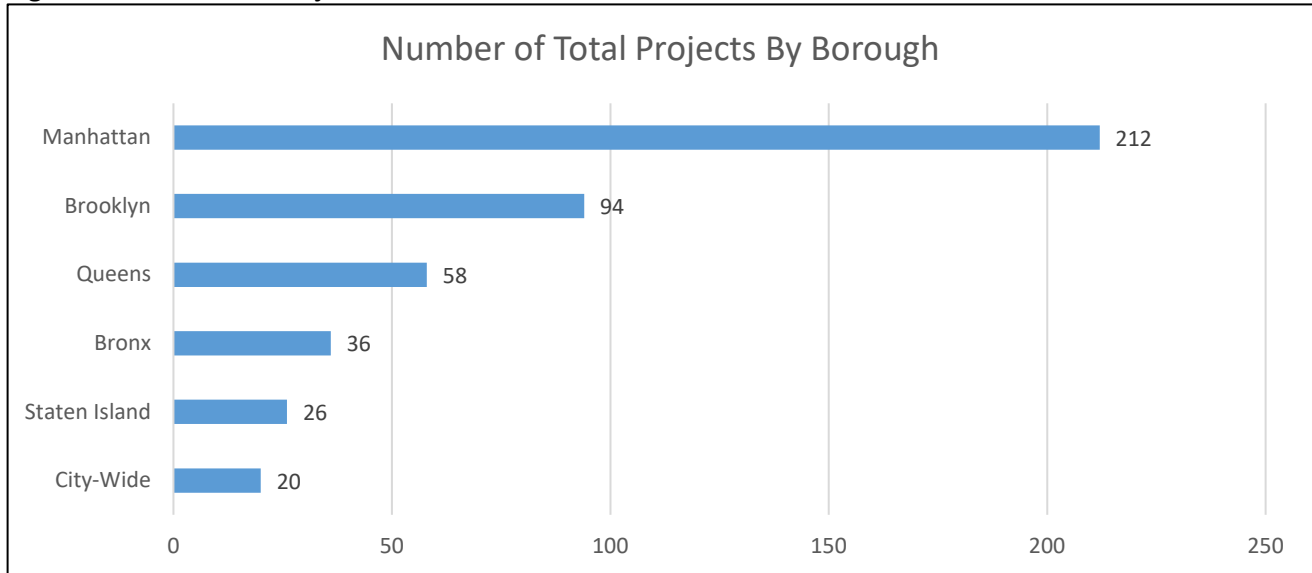
Figure 12: DCLA Commitment Plan



In the Fiscal 2020 Preliminary Plan, DCLA has a total of 446 active projects for 219 organizations with a value of \$1.2 billion. This total only incorporates funds for active projects and not long-completed projects with a few thousand dollars in IFA remaining.

Appendix E breaks out the active projects by borough and includes the number of organizations and funding amount in the capital plan for these projects. As illustrated in the figure on the next page, Manhattan has the largest number of projects followed by Brooklyn.

Figure 13: DCLA Total Projects



2020 Preliminary Capital Budget Highlights

Below is a description of some of the largest capital projects in the Fiscal 2020 Preliminary Capital Commitment Plan for Fiscal 2019 through Fiscal 2023.

Bronx

Wildlife Conservation Society (Bronx Zoo) Con-Ed Switchgear Upgrade – Phase I and Phase II. The Fiscal 2020 Preliminary Capital Plan includes \$17.8 million in City funding for Fiscal 2019 through Fiscal 2023 to upgrade the service equipment needed for the Bronx Zoo to enable the facility to receive back-up power from Con Edison in the event of an unplanned failure of the Cogeneration Plant or in the event of routine maintenance shutdowns of the plant. This will allow for the uninterrupted operation of the Zoo.

Bronx Museum South Wing Atrium Upgrade. The Fiscal 2020 Preliminary Capital Plan includes \$14.5 million in City funding for Fiscal 2019 through Fiscal 2023 allocated toward the renovation and upgrade of the South Wing Atrium, including the installation of energy-efficient windows, HVAC upgrades and refiguring the ground floor space and facade, for improved access and multi-use programming year-round. This project will replace the windows in the South Wing Atrium to increase the comfort and energy efficiency of the atrium. The scope further includes structural framing and upgrades of the atrium's interior in order to use its square footage more efficiently and to allow for improved access and visibility from the street. Finally, the project will improve circulation between the South Wing and the newer North Wing with a new connector.

Brooklyn

Brooklyn Academy of Music BAM Harvey Renovation. The Fiscal 2020 Preliminary Capital Plan includes \$21.4 million in City funding for Fiscal 2019 through Fiscal 2023 for the renovation and expansion of the BAM Harvey Theater. The project is being undertaken in order to provide better access and comfort for BAM audiences and to address functional and operational needs that have been lacking for many years at the Harvey Theater. The project will combine the Harvey building with two adjacent properties into a unified composition of buildings which will include an art gallery, cafe, and other patron amenities.

Bedford Stuyvesant Restoration Center Fire Safety. The Fiscal 2020 Preliminary Capital Plan includes \$3 million in City funding for Fiscal 2019 through Fiscal 2023 for upgrades to the fire safety system and smoke evacuation system in the Bedford Stuyvesant Restoration's main building, the Sheffield Building. The building houses the Billie Holiday Theatre (BHT), Skylight Gallery, College of New Rochelle, public assembly spaces and multiple community organizations. The fire safety system will include smoke detection, water flow detection, interface with building management system, voice annunciation and central station communication. The smoke evacuation system will consist of a rooftop mechanical fan unit with hard ducts connected to the required building zones. Activation and control will come from the building's fire safety system.

Queens

Queens Museum Expansion Phase 2. The Fiscal 2020 Preliminary Capital Plan includes \$16.8 million in City funding for Fiscal 2019 through Fiscal 2023 allocated toward the second phase of the renovation of Queens Museum facility in Flushing Meadows Corona Park. An additional \$3.1 million in State funds have carried over from the first phase of the project. Phase 2 of the expansion will provide education classrooms and art storage. Specific scope elements include four art workshops for educational programming, a 2400 square feet art storage vault, dedicated spaces for exhibition production including an integrated frame shop, art handling space and wall text/panel manufacture room, a loading dock to allow for deliveries of art and materials for daily operation, a catering area, art study area for visiting scholars and researchers and increased staff office space.

Queens Botanical Garden (QBG) Education Center. The Fiscal 2020 Preliminary Capital Plan includes \$18.3 million in City funding for Fiscal 2019 through Fiscal 2023 for Queens Botanical Garden (QBG) Education Center. This project is construction of a new 14,000-16,000 square foot Education building and surrounding landscapes that will include adjacent plazas, garden landscapes, and amenities. The Education Building plan includes a teaching kitchen and teaching greenhouse, classrooms, and office space for education staff.

Manhattan

American Museum of Natural History Science and Education Center. The Fiscal 2020 Preliminary Capital Plan includes \$78.4 million in City funding for Fiscal 2019 through Fiscal 2023 for The Richard Gilder Center for Science, Education, and Innovation. The Gilder Center will add approximately 180,000 square feet of space to the museum campus, making necessary improvements to the museum's capacity to integrate scientific research, collections and exhibition with its educational programming. Thirty new connections from the Gilder Center to ten existing museum buildings will be created. New state-of-the-art facilities for research, exhibition, and education will be provided. The project is in the final design stage. It is estimated that the project construction will be completed in December 2021.

Dance Theatre of Harlem (DTH). The Fiscal 2020 Preliminary Capital Plan includes \$10.4 million in City funding for Fiscal 2019 through Fiscal 2023 for the theater. Located at 466 W. 152nd Street, DTH consists of a performing ensemble, an arts education center and art outreach programs. The project will replace the outdated and inefficient HVAC and boiler systems and fire safety systems at the DTH facility. The project will also address code issues that exist because the cooling system on the roof is beyond legal noise limits.

Staten Island

Snug Harbor Music Hall. The Fiscal 2020 Preliminary Capital Plan includes \$15 million in City funding in Fiscal 2019 through Fiscal 2023 for Snug Harbor Music Hall. This 120-year old historically significant structure provides a professional 686-seat venue for concerts, performances, lectures, films, public ceremonies, and symposia. The restoration plan will provide the Music Hall with attached dressing rooms and greenroom, fire protection upgrades, office and storage space and improved ADA compliance to the performance spaces. Design of the new addition by Studio Joseph Architects has been completed. Ground Breaking Ceremony is anticipated for April 2019.

Staten Island Museum Building “B”. The Fiscal 2020 Preliminary Capital Plan includes \$10.1 million in City funding for Fiscal 2019 through Fiscal 2023 for Staten Island Museum Building “B”. This project will provide humidity and temperature controlled space which is critical to the safeguard of the museum’s Natural Science collection. The project also entails preservation of Building “B”’s historical character and overall historic site cohesiveness. The design intent is to complete in one construction phase an interior renovation of the Building and the two adjacent Hyphens. Project is currently at the end of Schematic Design. DDC is anticipating a construction kick-off September 2020. Due to issues of asbestos and lead abatement, climate control and existing structural reinforcement concerns, DDC and the consultant believe additional funding of approximately \$8 million will be needed.

Appendices

A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY19			FY20		
	City	Non-City	Total	City	Non-City	Total
DCLA Budget as of the Adopted 2019 Budget	\$198,441	\$1,677	\$200,118	\$149,125	\$677	\$149,802
Other Adjustments						
CADP Funding Put Up	\$0	\$134	\$134	\$0	\$0	\$0
DC 37 Collective Bargaining	1,344	7	1,351	2,394	12	2,406
DC 37 Collective Bargaining IC	0	7	7	0	11	11
Demand Response BM	0	1	1	0	0	0
Demand Response CH	0	1	1	0	0	0
Demand Response MCNY	0	0	0	0	0	0
Demand Response NYBG	0	8	8	0	0	0
Energy Coordinator	0	115	115	0	0	0
ExCEL Projects	0	356	356	0	0	0
I/C DCA FY19	0	195	195	0	0	0
IC W/ CIULTURAL AFFAIRS- 2994	0	264	264	0	0	0
IC W/CULTURAL AFFAIRS SNUG H	0	1,199	1,199	0	0	0
IC W/CULTURAL QUEENS FY19	0	2,066	2,066	0	0	0
IC W/CULTURAL. AFFAIRS BKLYN	0	698	698	0	0	0
Materials for the Arts Funding Transfer	180	0	180	180	0	180
Met Admissions Change Put Up	0	2,000	2,000	0	0	0
MFTA transfer to DCLA	0	(180)	(180)	0	(180)	(180)
PS Savings	(100)	0	(100)	(100)	0	(100)
Put Up COL Funds	0	1	1	0	0	0
Red Hook Art Project FY19	0	15	15	0	0	0
Vacancy reductions	0	0	0	(142)	0	(142)
DCLA CBA Managers and OJ's	64	0	64	103	0	103
DCLA CC Member Items Reallocation	462	0	462	0	0	0
DCLA CIGS L300	2	0	2	4	0	4
ExCEL Projects Round 2	0	115	115	0	0	0
PS Savings	(102)	0	(102)	(95)	0	(95)
TOTAL, All Changes	\$1,850	\$7,002	\$8,852	\$2,344	(\$157)	\$2,187
DCLA Budget as of the Preliminary 2020 Budget	\$200,292	\$8,680	\$208,973	\$151,469	\$520	\$151,990

B: Program Areas

Office of the Commissioner

Office of the Commissioner						
<i>Dollars in Thousands</i>						
	FY17	FY18	FY19	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Spending						
Personal Services						
Additional Gross Pay	\$58	\$141	\$305	\$5	\$5	(\$300)
Full-Time Salaried - Civilian	4,121	3,968	4,543	4,635	4,596	53
Unsalaries	692	553	522	995	549	27
Subtotal	\$4,872	\$4,661	\$5,370	\$5,635	\$5,149	(\$220)
Other Than Personal Services						
Contractual Services	\$27	\$33	\$85	\$53	\$85	\$0
Contractual Services - Professional Services	57	83	59	51	59	0
Fixed & Misc. Charges	12	4	0	1	0	0
Other Services & Charges	1,807	1,645	1,565	2,192	6,315	4,750
Property & Equipment	7	8	106	31	106	
Supplies & Materials	33	48	45	74	45	0
Subtotal	\$1,944	\$1,820	\$1,861	\$2,403	\$6,611	\$4,750
TOTAL	\$6,815	\$6,481	\$7,231	\$8,038	\$11,760	\$4,530
Funding						
City Funds			\$6,659	\$7,307	\$11,345	\$4,686
Capital- IFA			243	246	248	5
State			3	3	3	0
Federal - Community Development			145	149	152	7
Intra City			180	331	11	(169)
TOTAL	\$6,815	\$6,481	\$7,231	\$8,038	\$11,760	\$4,530
Budgeted Headcount						
Full-Time Positions - Civilian	53	50	60	60	58	(2)
TOTAL	53	50	60	60	58	(2)

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.

Cultural Programs

Cultural Programs						
<i>Dollars in Thousands</i>						
	FY17	FY18	FY19	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Spending						
Other Than Personal Services						
Contractual Services	\$0	\$0	\$0	\$26	\$0	\$0
Contractual Services - CIGs	58,588	65,296	72,974	71,768	30,218	(42,755)
Fixed & Misc. Charges	201	259	0	0	0	0
Other Services & Charges	17	344	850	1,058	500	(350)
TOTAL	\$58,807	\$65,899	\$73,824	\$72,853	\$30,718	(\$43,105)
Funding						
City Funds			\$73,718	\$72,612	\$30,612	(\$43,105)
Federal - Community Development			106	240	106	0
TOTAL	\$58,807	\$65,899	\$73,824	\$72,853	\$30,718	(\$43,105)

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.

Cultural Institutions

Cultural Institutions						
<i>Dollars in Thousands</i>						
	FY17	FY18	FY19	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Spending						
Other Than Personal Services						
American Museum of Natural History	\$16,468	\$15,997	\$16,778	\$17,060	\$16,404	(\$374)
Brooklyn Academy of Music	2,766	2,784	2,822	2,843	2,691	(131)
Brooklyn Botanical Garden	4,829	4,601	3,899	4,736	3,775	(124)
Brooklyn Children's Museum	1,999	2,071	2,061	2,148	1,782	(278)
Brooklyn Museum	7,936	8,552	8,173	8,314	7,932	(240)
Metropolitan Museum of Art	25,421	25,758	27,454	27,860	26,028	(1,426)
Museum of the City of New York	1,747	1,688	1,711	1,883	1,625	(86)
New York Botanical Garden	7,242	7,625	6,983	7,656	6,694	(289)
New York Hall of Science	1,986	2,022	1,952	1,972	1,877	(74)
New York Shakespeare Festival	1,122	1,109	1,106	1,106	1,050	(56)
Other Cultural Institutions	18,922	20,085	22,421	24,415	17,603	(4,818)
Queens Botanical Garden	3,509	4,231	1,194	3,468	991	(203)
SI Institute of Arts & Sciences	1,001	1,041	1,025	1,072	882	(143)
Snug Harbor Cultural Center	3,215	2,857	2,097	3,401	1,865	(232)
Staten Island Historical Society	800	810	797	849	664	(133)
Staten Island Zoological Society	1,551	1,586	1,627	1,758	1,382	(245)
Studio Museum in Harlem	911	985	918	953	826	(92)
Wave Hill	1,329	1,431	1,411	1,469	1,251	(160)
Wildlife Conservation Society	14,218	14,885	14,637	15,117	14,188	(448)
TOTAL	\$116,970	\$120,117	\$119,065	\$128,083	\$109,512	(\$9,553)
Funding						
City Funds			\$118,065	\$120,372	\$109,512	(\$8,553)
Other Categorical			1,000	3,001	0	(1,000)
Intra City			0	4,699	0	0
TOTAL	\$116,970	\$120,117	\$119,065	\$128,083	\$109,512	(\$9,553)

**The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.*

C: List of Cultural Institution Groups (CIGs)

#	Cultural Organization	Year Founded	Year Incorporated
1	American Museum of Natural History	1869	1869
2	American Museum of the Moving Image	1984	1984
3	EL Museo del Barrio	1969	1071
4	Bronx County Historical Society	1955	1955
5	Bronx Museum of the Arts	1971	1972
6	Brooklyn Academy of Music	1861	1969
7	Brooklyn Botanic Garden Corporation	1910	1977
8	Brooklyn Children's Museum	1899	1979
9	Brooklyn Institute of Arts and Sciences	1890	1890
10	Carnegie Hall Corporation	1960	1960
11	Flushing Council on Culture and the Arts	1979	1983
12	Jamaica Center for Arts & Learning, Inc.	1972	1978
13	Lincoln Center for the Performing Arts, Inc.	1956	1956
14	Metropolitan Museum of Art	1870	1870
15	Museum of Jewish Heritage – A Living Memorial to the Holocaust	1981	1981
16	Museum of the City of New York	1923	1923
17	New York Botanical Garden	1891	1891
18	New York City Ballet	1948	1977
19	New York City Center	1943	1976
20	New York Hall of Science	1964	1964
21	New York Shakespeare Festival	1954	1954
22	P.S.1 Contemporary Art Center, Inc.	1971	1972
23	Queens Botanical Garden Society, Inc.	1946	1946
24	Queens Museum of Art	1972	1972
25	Queens Theatre in the Park, Inc.	1972	1989
26	Snug Harbor Cultural Center & Botanical Garden, Inc.	1975	1976
27	Staten Island Children's Museum	1974	1974
28	Staten Island Historical Society	1856	1856
29	Staten Island Institute of Arts and Sciences	1881	1918
30	Staten Island Zoological Society, Inc.	1933	1934
31	Studio Museum in Harlem	1967	1967
32	Wave Hill	1965	1965
33	Wildlife Conservation Society (NY Aquarium)	1896	1896
34	Wildlife Conservation Society (Bronx Zoo)	1895	1895

D: PMMR

Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
E-mails responded to in 14 days (%)	95%	89%	84%	88%	88%	80%	89%
Letters responded to in 14 days (%)	100%	100%	100%	90%	90%	100%	100%
MFTA transactions	6,376	6,356	6,550	5,300	5,300	2,085	2,091
Schools, non-profits and City/State agencies served by Materials for the Arts (MFTA)	2,117	2,165	2,168	*	*	1,232	1,170
Capital projects authorized to proceed	48	67	45	*	*	NA	NA
Capital projects initiated (%)	96%	99%	69%	66%	66%	NA	NA
Average days to issue initial Cultural Development Fund (CDF) payments after complying with all City requirements	4	6	6	7	7	NA	NA
Average days to issue final CDF payments	4	4	4	5	5	NA	NA
Program organizations awarded CDF payments	889	933	942	*	*	941	970
Total financial support provided to qualifying organizations (\$000,000)	\$152.7	\$170.9	\$179.2	*	*	NA	NA
Operating support payments made to Cultural Institutions Group by the 5th day of each month (%)	100%	100%	91%	100%	100%	67%	100%
Total visitors to the Cultural Institutions Group (000)	23,236	22,785	23,180	*	*	NA	NA
Visitors using free admission and/or tickets (%)	31%	27%	27%	*	*	NA	NA

E: Active Projects

Borough	Total Projects	Total Organizations	Amount in Plan
Bronx	36	15	\$105,096,000
Brooklyn	94	40	313,781,000
Manhattan	212	127	506,210,000
Queens	58	21	120,061,000
Staten Island	26	9	70,358,000
City-Wide	20	7	38,599,000
TOTAL	446	219	\$1,154,105,000

F: Cultural Initiatives**Cultural After School Adventure (CASA)**

Funding for this initiative supports after-school programs that partners with cultural programs and institutions to provide arts enrichment City-wide. CASA ensures that public school students across the five boroughs are provided with quality arts and cultural programming during after-school hours. This initiative was launched in Fiscal 2006 and has grown in both the number of organizations funded, as well as total designations over the years. Each Council Member designated organizations at fifteen schools for Fiscal 2019.

Coalition of Theaters of Color

The Coalition of Theaters of Color (CTC) was founded in 2004 to address inequitable funding for theatrical institutions of color. Funding supports the operations and programming of various theaters and cultural organizations, primarily in communities of color throughout New York City. Funding was distributed to 43 organizations, who received funding based on their size, and history in the program.

Cultural Immigrant Initiative

This initiative was launched in Fiscal 2015. Funding for this initiative supports cultural organizations to provide programming focused on the cultural history or traditions of immigrant communities in New York City. In addition, this initiative increases access to unique cultural offerings that focus on immigrant heritages. Organizations are designated by each Council Member.

Ghetto Film School (GFS) Accelerator Program Model

This initiative was launched in Fiscal 2016. Funding for this initiative in Fiscal 2016 supported a market-based accelerator program for GFS alumni and other qualified young media producers a year. Through the program, the producers receive advanced training, professional development, and job placement. Funding in Fiscal 2017 supported the creation of a GFS Roster featuring events that go beyond the standard networking and business card exchange. Funding in Fiscal 2018 supported GFS' flagship program for high school students. Students took part in a rigorous immersion in film theory, history, screenwriting, cinematography, camera operation, sound mixing and editing. The program served 40 NYC students with 12 months of free hands-on filmmaking instruction, college advising and internship placement. Funding in Fiscal 2019 Funding is supporting Ghetto Film Schools' "NY Talent Pipeline" which connects emerging talent to work future opportunities across film, television, and advertising in New York City.

Anti-Gun Violence – Art a Catalyst for Change

This initiative was launched in Fiscal 2016. Funding for this initiative supports the use of arts as a means to engage, organize and mobilize communities in the public awareness and conflict mediation surrounding gun violence. This initiative is part of a funding towards a variety of public safety initiatives and programs that support the Council's efforts towards the provision of public safety and awareness across the City.

SU-CASA

This initiative was launched in Fiscal 2016. Funding for this initiative provides five senior centers per Council district with arts programming activities which include a choice of music, dance, painting or crafts. Disciplines funded in Fiscal 2019 cover a wide range, including ceramics, puppet movement, singing, quilting, improvisational theater, and storytelling. Council Members chose five senior centers in their district, which were then matched by DCLA with artists and organizations selected for this initiative.