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**Report to the Committee on Finance and the
Committee on Cultural Affairs, Libraries, International
Intergroup Relations on the Fiscal 2023 Executive Plan
and the Fiscal 2023 Executive Capital Commitment Plan**

Libraries

May 13, 2022

(Report Prepared by Aliya Ali)



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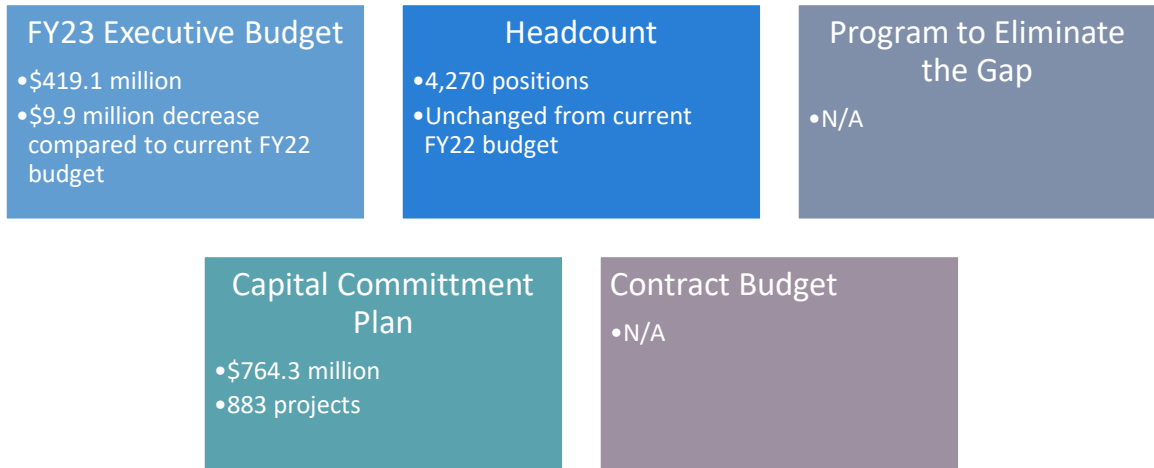
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Libraries Fiscal 2023 Executive Budget Snapshot



Budget Response Council Priorities

- **Library Systems’ Additional Infrastructure Needs.** The Council urged the Administration in the Budget Response to add \$163 million in capital dollars in Fiscal 2023 for library repair and maintenance to bridge the current gap in capital funding for the system’s ongoing infrastructure needs. A handful of projects with shortfalls in funding received additional dollars in the Executive Capital Plan for a total of \$50.7 million. However, even though funds were added for some projects with shortfalls in the first four years of the plan period, other projects were pushed out from those years into the back end of the ten-year plan period.

New Needs Other Significant New Needs

- N/A

Other Adjustments Adjustments in the Executive Budget

- **Heat, Light and Power.** An increase of \$1.1 million in Fiscal 2022 and \$945,000 in Fiscal 2023 for heat, light and power energy adjustment.
- **Library I/C Mod.** An increase of \$180,000 in Fiscal 2022 for the ActionNYC program the systems participate in with Mayor’s Office of Immigrant Affairs (MOIA). ActionNYC is a library program for immigrants.

Major Agency Issues Agency Issues Identified

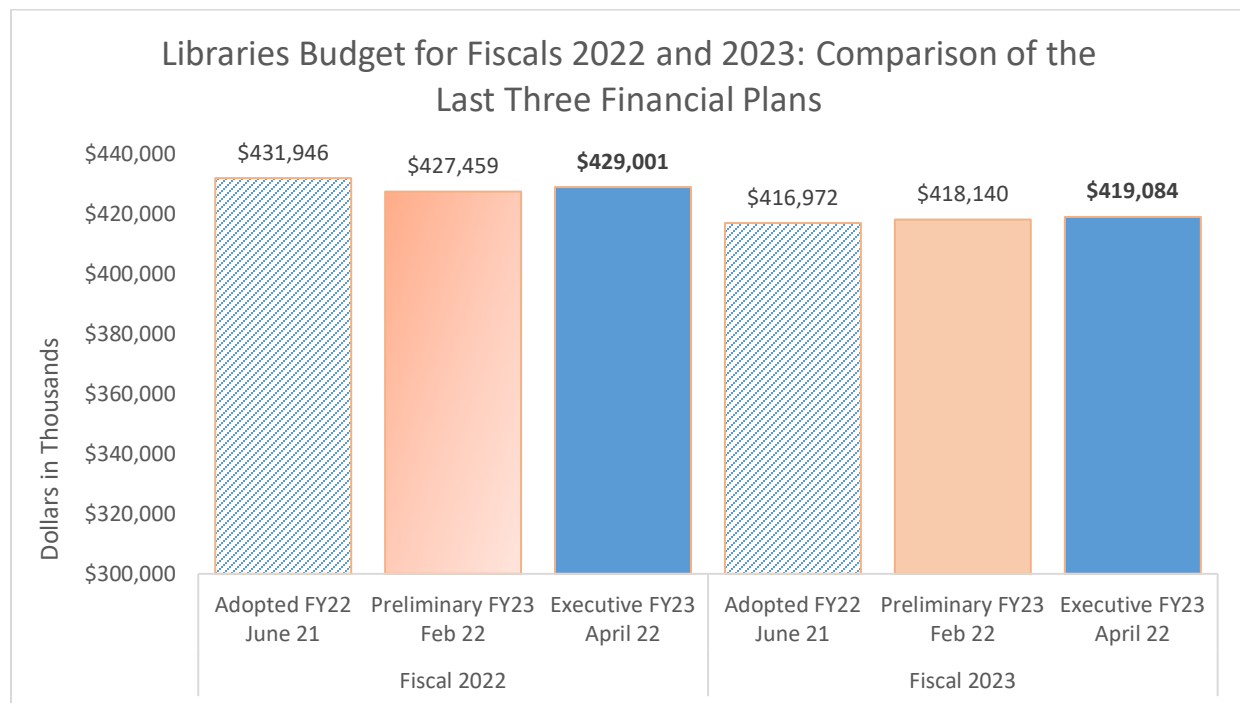
- N/A

Library Systems’ Budget Overview

On April 26, 2022, the Administration released the Executive Financial Plan for Fiscal 2022-2026 (Executive Plan) with a proposed budget for Fiscal 2023 of \$99.7 billion. This report offers a review of the Fiscal 2023 Executive Budget of the city’s three library systems: the Brooklyn Public Library (BPL), the Queens Borough Public Library (QBPL), and the New York Public Library (NYPL)¹ (collectively the Library Systems or Libraries). For additional information on Libraries’ Preliminary Budget, please refer to the Fiscal 2023 Preliminary Budget report at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/03/Libraries.pdf>

The Library Systems’ projected Fiscal 2023 budget of \$419.1 million represents less than one percent of the City’s proposed Fiscal 2023 budget in the Executive Plan. Libraries’ proposed Fiscal 2022 budget is \$429 million, or less than one percent, less than the agency’s Fiscal 2022 Adopted Budget (\$431.9 million).

The Library Systems’ Fiscal 2023 budget increased by \$946,000 (less than one percent), from the Fiscal 2023 Preliminary Plan (\$418.1 million). The increase is the result of a heat, light, and power subsidy adjustment for the systems.



¹ The New York City Research Libraries are managed by the NYPL, for this report all references to NYPL will include details about the Research Libraries as well.

Personal Services and Headcount

Libraries' Executive Plan includes funding for a total of 4,270 positions in the current fiscal year and in Fiscal 2023. The Executive Plan represents a reduction in the systems' headcount of 71 in Fiscal 2022 since adoption.

Libraries Spending and Headcount

<i>Dollars in Thousands</i>	2021	2021	2022	Executive Plan		*Difference
	Actual	Actual	Adopted	2022	2023	2022 - 2023
Research	\$31,021	\$30,691	\$31,496	\$30,662	\$30,559	(\$937)
NYPL	157,377	158,497	158,674	159,541	153,484	(5,190)
BPL	119,335	118,246	118,372	117,236	115,168	(3,204)
QBPL	123,714	\$122,444	\$123,404	\$121,561	\$119,873	(3,531)
Total Other Than Personal Services	\$431,447	\$429,878	\$431,946	\$429,000	\$419,084	(\$12,862)
Budgeted Headcount						
Research	35	22	40	36	36	(4)
NYPL	107	66	125	108	108	(17)
BPL	136	103	97	97	97	0
QBPL	567	528	383	383	383	0
Total Part- Time Positions	845	719	645	624	624	(21)
Research	256	258	290	282	282	(8)
NYPL	1,212	1,211	1300	1258	1258	(42)
BPL	989	961	1,145	1,145	1,145	0
QBPL	1,069	1,045	961	961	961	0
Total Full-Time Positions	3,526	3,475	3,696	3,646	3,646	(50)
TOTAL	4,371	4,194	4,341	4,270	4,270	(71)

Funding Sources

NYPL's budget is approximately 59 percent funded with City funding, QBPL's budget is approximately 91 percent City funds, and BPL's budget is approximately 85 percent City funds. Other sources of funding for all three libraries include private contributions including the endowment draw for operations, allocations in the New York State budget, earned revenue and the federal government.

The table and chart below reflects a partial funding of the Libraries budget as it does not include sources such as private contributions.

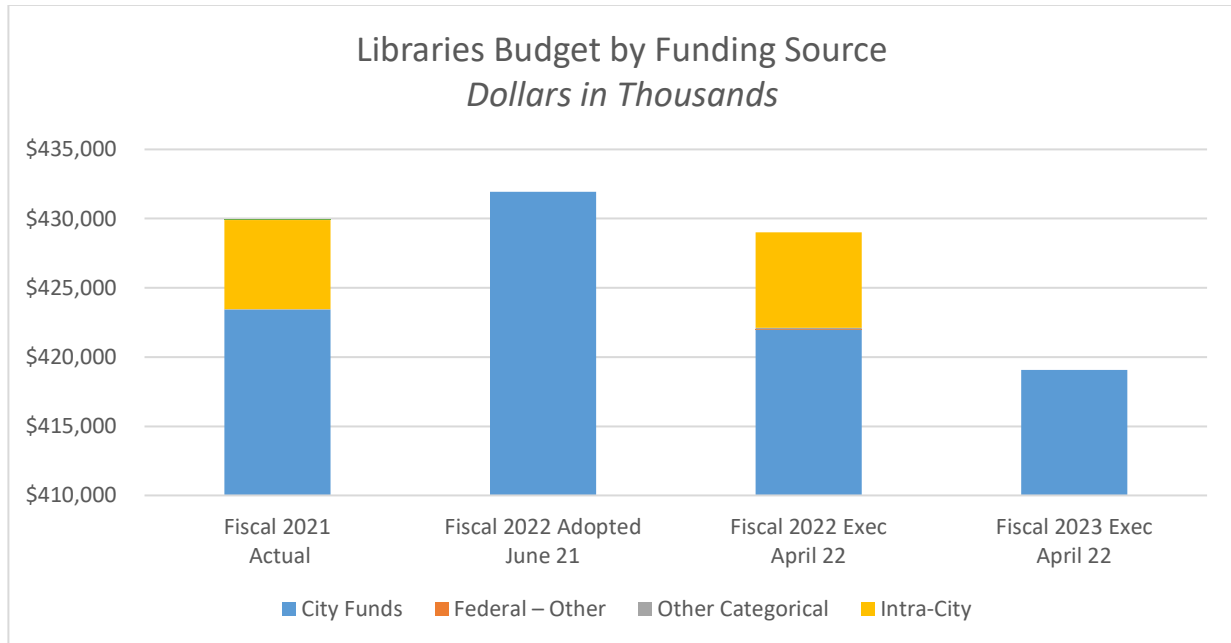
The \$1.5 million increase in Libraries' Fiscal 2022 and \$945,000 increase in its Fiscal 2023 budget between the Preliminary Budget and the Executive Plan is primarily the result of modifications to city funds. These changes include:

City Funding

City funding increases by \$1.1 million in Fiscal 2022 and \$946,000 in Fiscal 2023 when compared to the Preliminary Plan.

- **Heat, Light, and Power.** The Fiscal 2023 Executive Budget includes an increase of \$1.1 million in Fiscal 2022 and \$945,000 in Fiscal 2023 for heat, light, and power energy adjustment.

See Appendix A for a complete list of all changes reflected in Libraries’ Fiscal 2022 and 2023 budgets since adoption.



<i>Dollars in Thousands</i>	2021	2022	Executive Plan		*Difference
	Actual	Adopted	2022	2023	2022 - 2023
Funding					
City Funds	\$423,434	\$431,946	\$421,977	\$419,085	(\$12,861)
Federal – Other	0	0	24	0	0
Other Categorical	37	0	113	0	0
Intra-City	6,408	0	6,887	0	0
TOTAL	\$429,879	\$431,946	\$429,001	\$419,085	(\$12,861)

*The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Executive Budget.

Program Area Budgets

In order to provide for better transparency within agency budgets, in 2007 at the behest of the City Council, the Administration began providing agency budgets broken down by program areas for fifteen of the City’s agencies. The programmatic budgets provide a summary of planned spending in each functional area of an agency.

<i>Dollars in Thousands</i>	Fiscal 2020 Actual	Fiscal 2021 Actual	Fiscal 2022 Adopted	Fiscal 2022 Exec	Fiscal 2023 Exec	Difference (2022-2023)
Program Area						
Research Libraries	31,021	30,691	31,496	30,662	30,559	(937)
NYPL	157,377	158,498	158,674	159,541	153,484	(5,190)
BPL	119,335	118,247	118,372	117,236	115,168	(3,203)
QBPL	123,714	122,444	123,404	121,561	119,873	(3,531)
Total	\$431,448	\$429,879	\$431,946	\$429,001	\$419,085	(\$12,861)

*The difference of Fiscal 2022 Adopted Budget compared to Fiscal 2023 Executive Budget.

The Executive Budget includes changes planned for Libraries' budget in Fiscal 2023, impacting all the systems. Below is a discussion of the most significant program area funding changes in the Executive Plan.

Libraries' Budget as of the Executive Plan.

- **Research Library:** The \$937,000 decrease between the Fiscal 2022 Adopted Budget compared to the Fiscal 2023 Executive Budget is mostly due to a one-time Council add of \$980,000 in Fiscal 2022 that is not reflected in the Fiscal 2023 Executive Budget, which is partially offset by minor increases in Fiscal 2023.
- **NYPL:** The \$5.1 million decrease between the Fiscal 2022 Adopted Budget compared to the Fiscal 2023 Executive Budget is mostly due to a one-time Council add of \$5.2 million in Fiscal 2022 that is not reflected in the Fiscal 2023 Executive Budget partially offset by minor increases in Fiscal 2023.
- **BPL:** The \$3.2 million decrease between the Fiscal 2022 Adopted Budget compared to the Fiscal 2023 Executive Budget is mostly due to a one-time Council add of \$3.9 million in Fiscal 2022 that is not reflected in the Fiscal 2023 Executive Budget partially offset by minor increases in Fiscal 2023.
- **QBPL:** The \$3.5 million decrease between the Fiscal 2022 Adopted Budget compared to the Fiscal 2023 Executive Budget is mostly due to a one-time Council add of \$3.9 million in Fiscal 2022 that is not reflected in the Fiscal 2023 Executive Budget offset partially by minor increases in Fiscal 2023.

Changes Since the Preliminary Budget by Spending Type

At each financial plan, an agency submits changes to its budget from the prior plan. These changes are comprised of new needs that have not previously been included in their budget, other adjustments to existing spending (these adjustments can involve adding additional funding or removing funding), savings programs which provide additional resources either through reduced spending or increased revenue, and savings restorations which include the restoration of expenditures that had been reduced in prior financial plans.

A summary of all changes made to Libraries' financial plan since adoption can be found in Appendix A.

New Needs

N/A

Other Adjustments

Libraries' Executive Budget includes an increase of \$1.5 million in Fiscal 2022 and \$945,000 in Fiscal 2023 in other adjustments. Significant other adjustments include:

- **Heat, Light and Power.** The Fiscal 2023 Executive Budget includes an increase of \$1.1 million in Fiscal 2022 and \$945,000 in Fiscal 2023 for heat, light and power energy cost adjustments.

- **Library I/C Mod.** The Fiscal 2023 Executive Budget includes an increase of \$180,000 in Fiscal 2022 for the ActionNYC program, which the library systems provide in conjunction with Mayor’s Office of Immigrant Affairs (MOIA). The program offers all New Yorkers free, safe immigration legal help in a network of trusted community-based organizations at community sites, public health facilities, public schools, and libraries. Services are provided in the native language and immigration status does not matter.

Savings Program

N/A

Savings Restorations

N/A

Fiscal 2023 Preliminary Budget Response

In the Fiscal 2023 Preliminary Budget Response (Budget Response)², the Council identified a funding gap in the library systems infrastructure needs. Below the Council’s proposal is discussed along with an analysis of how it was addressed in the Executive Plan.

Library Systems’ Additional Infrastructure Needs. In its Budget Response the Council urged the Administration to add \$163 million in capital dollars in Fiscal 2023 for library repair and maintenance to bridge the current gap in capital funding for the system’s ongoing infrastructure needs. Even though funds were added for some projects with shortfalls in the first four years of the plan period, a greater amount of funding for other projects was pushed out from the first four years of the plan into the back end of the ten-year plan period.

Response Priorities	Amount Requested	Amount Included in the Exec Budget
Library Systems’ Additional Infrastructure Needs	\$163 million	\$50.7 million

A handful of projects with funding shortfalls received additional money in the Executive Capital Plan. These include:

NYPL

- \$6.2 million for state of good repair projects (lump-sum); and
- \$3 million for Tompkins Square Branch HVAC replacement.

QBPL

- \$6.3 million for the South Jamaica Branch renovation;
- \$6.8 million for the South Ozone Park Branch renovation; and
- \$13.4 million for Maspeth Branch comprehensive renovation.

BPL

- \$10 million for Pacific Branch; and
- \$5 million for overall shortfalls.

² The full response can be found at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/04/Fiscal-2023-Preliminary-Budget-Response-1-3.pdf>

Federal and State Budget Risks

State. Each of New York City's three library systems receive funding from the State under formula aid provided to every public library system that meets minimum standards set by the New York State Education Department (NYSED). Aid levels depend on Census data as well as local needs. Currently the State aid received by the City's library systems is below pre-recession levels and is inadequate to meet needs across the five boroughs. In the Fiscal 2021-2022 Enacted State Budget libraries' state-wide received \$94.1 million in programmatic funding. The recently enacted State budget increased statewide Library Formula Aid by over \$5 million to \$99.6 million. It is still unclear what portion of these funds the City's libraries will receive. The chronic underfunding of the libraries tends to have a disproportionate and negative effect on economically disadvantaged communities.

Federal. The library systems each received some funding in Fiscal 2022 through the various COVID-relief legislation passed by Congress. These funds are not necessarily available in Fiscal 2023 or future fiscal years. The loss of these funds would mean the library systems would either have to suspend those programs or find other funding sources.

NYPL's Fiscal 2022 operating budget included \$900,000 in federal funds. The largest COVID-19 related aid to NYPL was the Employee Retention Tax Credit, which will not continue in Fiscal 2023.

In Fiscal 2022, BPL had received \$294,000 directly from the Universal Service Administrative Company (USAC) for emergency connectivity programs, including providing tools and services to facilitate remote learning during the pandemic. This funding is not included in the Fiscal 2023 Executive Budget.

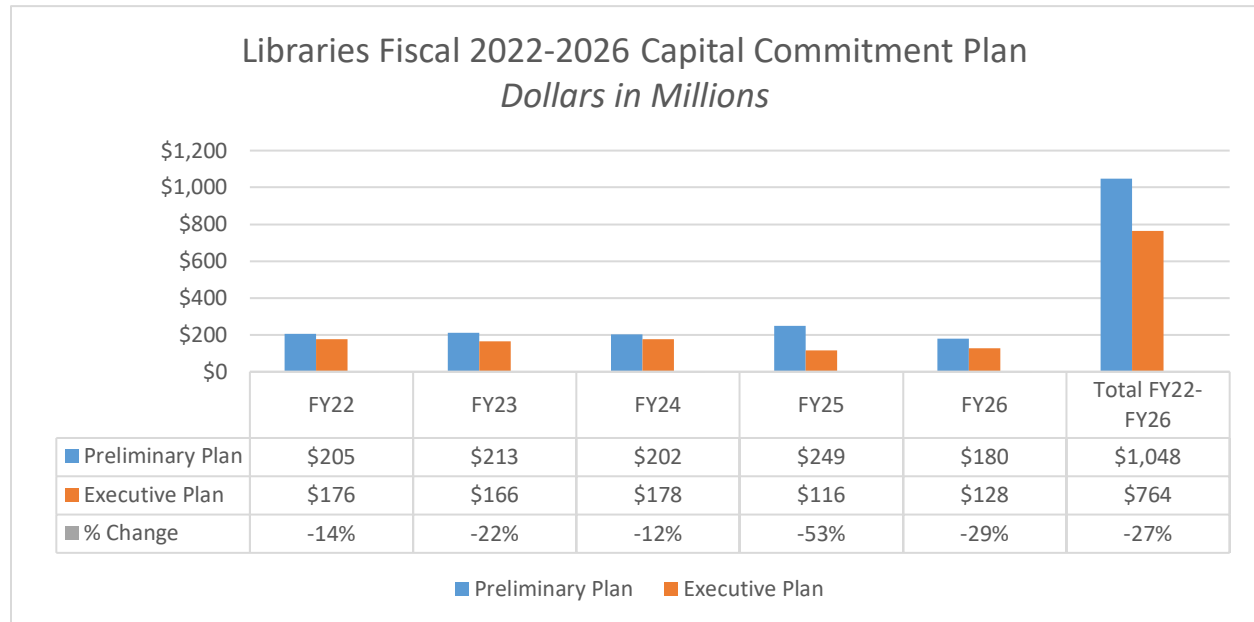
QBPL has three Federal COVID-19 and stimulus grants whose grant periods include only part of Fiscal 2023. This includes \$330,506 from the Institute for Museum and Library Services (IMLS) CARES Act. This funding provides formerly incarcerated individuals with data-equipped smartphones, online resources and job training to aid them in their reintegration into the workforce during the COVID-19 pandemic. The IMLS American Rescue Plan (ARP) grant provided \$50,000 to expand Queens Connect, a hotspot lendable technology initiative promoting digital access and inclusion in Queens' neighborhoods with the lowest broadband use. Lastly, the QBPL received \$228,546 from the National Endowment for a Humanities (NEH) American Rescue Plan grant to fund the work of over 50 Asian American humanities professionals from a variety of community organizations in Queens, and from the Queens Borough Public Library in the creation of a 10-episode podcast season.

Capital Budget

The library systems' capital program is presented in the Executive Capital Commitment Plan for Fiscal 2022-2026 (Commitment Plan).

Libraries' commitments for Fiscal 2022 through 2026 as presented in the Commitment Plan total \$764.3 million, \$283.5 million less (22.8 percent) than the total of \$1 billion for the same period presented in the Preliminary Capital Commitment Plan released in February. The Department's planned commitment comprise less than one percent of the City's total \$94.9 billion Fiscal 2022 through 2026 plan.

Libraries Fiscal 2022-2026 Capital Commitment Plan



The amount of commitments planned for each year of the plan period is relatively uniform, with 23 percent of the entire planned expenditure in the current fiscal year, 21.7 percent in Fiscal 2023, and 23.3, 15.1, and 16.9 in Fiscals 2024, 2025 and 2026 respectively.

Capital Highlights

New York Public Library. There is \$287.6 million (including city and non-city) in the Fiscal 2022-2026 Executive Capital Plan for capital work to be completed at the NYPL branches. This includes:

- Comprehensive renovations of five Carnegie branches (125th Street, Fort Washington, Hunts Point, Melrose, Port Richmond) for a total of \$129.4 million;
- Construction of a new Westchester Square Branch for a total of \$38.9 million;
- Rehabilitation of the Hamilton Fish Park Branch for \$11.1 million;
- Renovation and expansion of the Woodlawn Heights Branch for \$10.3 million;
- Renovation of the Castle Hill Branch for \$9.9 million

Research Libraries. There is \$8.9 million (including city and non-city) in the Fiscal 2022-2026 Executive Capital Plan for capital work to be completed at the research libraries.

Brooklyn Public Library. There is \$185.1 million (including City and non-city) in the Fiscal 2022-2026 Executive Capital Plan for capital work to be completed at the BPL. This includes:

- Branch renovation of the Borough Park Library for a total of \$20.7 million. Renovation includes new and expanded program areas as well as structural and building system upgrades, with façade replacement, roof replacement, upgraded ADA access, and a heating and cooling upgrade included;

- Renovation of the Brownsville Branch for a total of \$27.2 million. This includes rooftop addition, additional public service space, new landscaping, new green roof, new security and fire safety systems, and a new MEP system to make the building fossil-fuel free; and
- Renovation of the Red Hook Branch for \$14.4 million. This includes flood mitigation, expanding programming and staff spaces, providing dedicated adult, teen, school age and toddler spaces, the creation of a secured exterior garden with seating areas, providing full ADA access to the building, a new roofing system, and full net-zero building systems.

Queens Borough Public Library. There is \$282.6 million (including City and non-city) in the Fiscal 2022-2026 Executive Capital Plan for capital work to be completed at the QBPL. This includes:

- Construction of a dual multi-purpose community room and a 4,663 square foot single-story annex at the Arverne Branch for a total of \$15.3 million;
- Comprehensive interior renovation, a new front garden, new exterior forecourt, and new main vestibule with a passenger elevator for the Astoria Branch for a total of \$13.1 million;
- Construction of a new 18,000 square foot 2 story community library at the Rego Park Branch for a total of \$35.5 million;
- Comprehensive renovation including an expanded footprint and new main and side entrances at the Bay Terrace Branch for a total of \$3.4 million;
- Renovation of the basement level including the lobby, computer center, multi-purpose rooms, restrooms, and staff room along with the roof and upgrade of the security system at the Broadway Branch for a total of \$5.7 million;
- Construction of a new 19,000 square foot 2 story community library at the Far Rockaway Branch for a total of \$6.9 million; and
- Installation of a new passenger elevator and the modernization of the existing passenger elevator at the Flushing Branch for a total of \$9.4 million.

Appendix A: Budget Actions since Fiscal 2022 Adoption

<i>Dollars in Thousands</i>	FY22			FY23		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$31,496	\$0	\$31,496	\$30,475	\$0	\$30,475
NYPL	158,674	0	158,674	153,286	0	153,286
QBPL	123,404	0	123,404	119,072	0	119,072
BPL	118,372	0	118,372	114,139	0	114,139
Libraries Budget as of the Fiscal 2022 Adopted Budget	\$431,946	\$0	\$431,946	\$416,972	\$0	\$416,972
Other Adjustments						
NYPL Energy Personnel	\$0	85	\$85	\$0	\$0	\$0
NYPL Excel Projects	0	4,176	4,176	0	0	0
NYPL NYCCC	0	352	352	0	0	0
NYPL RCM Projects	0	120	120	0	0	0
QBPL NYCCC	0	654	654	0	0	0
QBPL OSA Collective Bargaining	436	0	436	438	0	438
QBPL ULILY 03 CLOSEOUT	0	13	13	0	0	0
QBPL ULILY01 Close out	0	10	10	0	0	0
BPL Energy Personnel	0	214	214	0	0	0
BPL NYCCC	0	730	730	0	0	0
BPL OSA Collective Bargaining adjustment	717	0	717	730	0	730
Subtotal, Other Adjustments	\$1,153	\$6,354	\$7,507	\$1,167	\$0	\$1,167
TOTAL, All Changes	\$1,153	\$6,354	\$7,507	\$1,167	\$0	\$1,167
Libraries Budget as of the Fiscal 2022 November Plan	\$433,099	\$6,355	\$439,454	\$418,140	\$0	\$418,140
Other Adjustments as of the Fiscal 2023 Prelim Plan						
NYPL Excel Round 2	\$0	\$245	\$245	\$0	\$0	\$0
NYPL CC Member Items Reallocation	213	0	213	0	0	0
QBPL CC Member Items Reallocation	354	0	354	0	0	0
BPL CC Member Reallocation	186	0	186	0	0	0
Subtotal, Other Adjustments	\$753	\$245	\$998	\$0	\$0	\$0
Savings Program						
Research: One time reduction to the operating subsidy	(\$945)	\$0	(\$945)	\$0	\$0	\$0
NYPL - One time reduction to the operating subsidy	(4,760)	0	(4,760)	0	0	0
BPL: One time reduction to the operating subsidy	(3,573)	0	(3,573)	0	0	0
QBPL One time reduction to the operating subsidy	(3,715)	0	(3,715)	0	0	0
Subtotal, Savings Program	(\$12,993)	\$0	(\$12,993)	\$0	\$0	\$0
TOTAL, All Changes	(\$12,240)	\$245	(\$11,995)	\$0	\$0	\$0
Libraries Budget as of the Fiscal 2023 Prelim Plan	\$420,859	\$6,600	\$427,459	\$418,140	\$0	\$418,140
Other Adjustments as of the Fiscal 2023 Executive Plan						
Research Heat Light and Power	\$111	\$0	\$111	\$84	\$0	\$84
NYPL Energy Personnel	0	25	25	0	0	0
NYPL Demand Response	0	86	86	0	0	0
NYPL Heat Light and Power	265	0	265	199	0	199
NYPL Queens Library I/C Mod	0	60	60	0	0	0
BPL Demand Response	0	27	27	0	0	0
BPL -TEMF-DS&S program-FY22	0	106	106	0	0	0
BPL Heat, Light and Power	398	0	398	299	0	299
BPL Library I/C	0	60	60	0	0	0
QBPL Heat, Light and Power	345	0	345	364	0	364
QBPL Library I/C	0	60	60	0	0	0
Subtotal, Other Adjustments	\$1,118	\$424	\$1,543	\$945	\$0	\$945
TOTAL, All Changes	\$1,118	\$424	\$1,543	\$945	\$0	\$945
Libraries Budget as of the Fiscal 2023 Executive Plan	\$421,977	\$7,024	\$429,001	\$419,084	\$0	\$419,084