

THE COUNCIL OF THE CITY OF NEW YORK

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Hearing on the Mayor's Fiscal 2013 Preliminary Budget & the Fiscal 2012 Preliminary Mayor's Management Report

Libraries

March 13, 2012

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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 209 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 impact of the year-over-year loss of funding for the City's three public library systems, reviews the Preliminary Mayor's Management Report indicators related to each system, and in addition, 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 2013, the Administration is proposing a \$206 million subsidy for the systems, which is a 31 percent reduction from the Fiscal 2012 Adopted Budget. The following table, "Financial Summary for the Libraries", provides an overview of City support from Fiscal 2011 to the February Plan for Fiscal 2013 demonstrating the proposed loss of funding to each system.

Financial Summary for the Libraries

Dollars in Thousands (Adjusted for prepayments.)

	2011 Actual	2012 Adopted	2012 Feb Plan	2013 Feb Plan	Difference* 2012–2013
Research Libraries	\$22,023	\$22,573	\$22,122	\$15,729	(\$6,844)
NYPL	110,850	112,851	110,592	77,072	(35,779)
BPL	82,451	84,482	82,891	57,661	(26,821)
QBPL	81,264	83,257	81,591	56,508	(26,749)
TOTAL	\$296,588	\$303,162	\$297,195	\$206,969	(\$96,193)

* Difference refers to the variance between the Fiscal 2012 Adopted Budget and the Fiscal 2013 February Plan.

Fiscal 2012 Restoration

The Council has routinely provided supplemental or restorative funds to the City's operational subsidy for the research and branch libraries to ensure that these libraries are able to maintain necessary service hours and materials for all New Yorkers. However, due to the large funding deficits to the three systems beginning in Fiscal 2011, the Council and the Administration restored funding to the systems. In Fiscal 2012, the Council provided \$61 million and the Administration provided \$22 million for a partial restoration of cuts. This \$83 million restoration is not included in the Fiscal 2013 Preliminary Budget, and it, along with the six percent PEG totaling \$13.2 million,

creates the large deficit facing the libraries for Fiscal 2013 as shown above. The chart below provides a breakdown of the Fiscal 2012 restoration to each system.

FY 2012 Changes at Adoption

Dollars in Thousands

	City Council	Administration	Total
Research Libraries - Partial PEG Restoration	\$4,270	\$1,540	\$5,810
NYPL Branches - Partial PEG Restoration	22,692	8,184	30,876
BPL - Partial PEG Restoration	17,019	6,138	23,157
QBPL - Partial PEG Restoration	17,019	6,138	23,157
TOTAL	\$61,000	\$22,000	\$83,000

The Impact of the \$96 Million Deficit

As discussed previously, there is a proposed \$96.2 million, or 31 percent, loss in funding to the three library systems for Fiscal 2013, reducing funding to post-September 11th levels. The possible impact of the \$96.2 million year-over-year loss is outlined below.

- Branch Closings.** The three systems would be forced to close a number of library branches throughout the City. After three fiscal years since the historic six-day service funding agreement of \$43 million in Fiscal 2008 between the Administration and the Council, the three systems would move from providing six-to-seven days of service to having branches closed and the remaining branches open during limited hours. If the reductions are implemented, there would be branch closures in Fiscal 2013, however the number of possible closures has not been identified by the systems at this time.
- Headcount Reductions.** In addition, headcount reductions would occur as a consequence of reduced funding. The majority of the proposed headcount reductions would be through layoffs, not attrition. If the \$96.2 million reduction is implemented, the projected layoff total for all three systems is approximately 1,830 positions.
- OTPS Spending Reductions.** The Other Than Personal Services spending was reduced or suspended in Fiscal 2011 to absorb mid-year reductions to the libraries. These reductions in or suspension of spending would continue in Fiscal 2013, jeopardizing the integrity of each system's materials and book collection.

Highlights

Expense Budget Actions

In addition to the six percent PEG (\$13.2 million) for the systems in Fiscal 2013, the November Plan included \$100,000 in City tax-levy funds for a Booz Allen Hamilton study on possible efficiencies among the three systems. The total cost for this study is \$300,000 with each system providing \$50,000, a \$100,000 allocation in the November Plan, and \$50,000 in funds secured by the Mayor's Office through a Refson grant.

In addition, each system would receive \$350,000 in Fiscal 2013 from the Center of Economic Opportunity for adult literacy programs.

State Fiscal 2012-2013 Executive Budget Highlight

Library Aid from the State remains flat in the 2012-2013 State Executive Budget, however, this funding level maintains cuts from previous years, leaving the three systems to fill the funding gaps from other sources.

Capital Budget Highlights

There is \$316.8 million for the libraries in City funds for Fiscal 2012 and \$48.8 million in City funds for Fiscal 2013 included in the February 2012 Capital Commitment Plan. Because of the large amount of commitments placed in Fiscal 2012, these funds will roll over into Fiscal 2013. These committed funds support technological upgrades, ADA compliance measures, and improved infrastructure at the branches, as well as the building of new branches and centers throughout the City. 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 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. 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 2011, the New York Public Library had a record high of 27 million in circulation and 15 million people in attendance.

New York Public Library Financial Summary

Dollars in Thousands

	2011 Actual	2012 Adopted	2012 Feb Plan	2013 Feb Plan	Difference* 2012–2013
Branch Libraries	\$110,850	\$112,851	\$110,592	\$77,072	(\$35,779)
TOTAL	\$110,850	\$112,851	\$110,592	\$77,072	(\$35,779)

**Difference refers to the variance between the Fiscal 2012 Adopted Budget and the Fiscal 2013 February Plan.*

New York Research Library Financial Summary

Dollars in Thousands

	2011 Actual	2012 Adopted	2012 Feb Plan	2013 Feb Plan	Difference* 2012–2013
Research Libraries	\$22,023	\$22,573	\$22,122	\$15,729	(\$6,844)
TOTAL	\$22,023	\$22,573	\$22,122	\$15,729	(\$6,844)

**Difference refers to the variance between the Fiscal 2012 Adopted Budget and the Fiscal 2013 February Plan.*

Below is the possible impact to the NYPL system of the proposed deficit in Fiscal 2013.

- **Budget Reductions.** For Fiscal 2013, there is a reduction of \$5.9 million in Fiscal 2013 and the outyears to the research and branch libraries and does not include \$36.6 million restored in the Fiscal 2012 Adopted Budget.
- **Impact on Headcount.** The \$43 million deficit for Fiscal 2013 would result in a loss of 682 positions, with 610 positions eliminated through layoffs.
- **Impact on Service.** The average weekly hours of service would be reduced from 46 hours to a maximum of 35 hours a week, which would be a 12-hour reduction in service. The system would possibly close branches. Other Than Personal Services (OTPS) spending, including materials and collections, would remain flat in Fiscal 2013.

Performance Measures

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

	FY 09	FY10	FY 11	Target FY12	Target FY13	4-Month Actual FY 11	4-Month Actual FY 12
Average weekly scheduled hours	49	48.8	46.8	48	48	46.8	46.8
Libraries open six days per week (%)	100%	100%	75%	100%	100%	75%	75%
Reference queries (000)	453	402	375	625	625	128	107
Program sessions	1,187	1,041	1,639	1,600	1,600	454	592
Program attendance	70,038	67,220	60,000	60,000	60,000	20,467	28,238
Total library attendance (000)	2,381	2,363	2,475	2,000	2,000	784	1080

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

	FY 09	FY10	FY11	Target FY12	Target FY13	4-Month Actual FY 11	4-Month Actual FY 12
Average weekly scheduled hours	51.9	47	46.6	46	46	46.6	46.6
Libraries open six days per week (%)	100%	100%	100%	100%	100%	100%	100%
Circulation	22,104	24,085	27,908	24,200	24,200	9,476	9,397
Reference queries (000)	8,058	7,503	7,909	8,000	8,000	2,676	3,049
Program sessions	38,613	41,978	43,270	30,900	30,900	12,763	15,169
Program attendance	781,899	757,501	864,669	630,000	630,000	252,207	302,612
Total library attendance (000)	15,608	15,509	15,063	15,600	15,600	5,478	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 seen its circulation rise to 20.2 million and its attendance rise to 12,341 people.

Brooklyn Public Library Financial Summary					
<i>Dollars in Thousands</i>					
	2011 Actual	2012 Adopted	2012 Feb Plan	2013 Feb Plan	Difference* 2012-2013
BPL	\$82,451	\$84,482	\$82,891	\$57,661	(\$26,821)
TOTAL	\$82,451	\$84,482	\$82,891	\$57,661	(\$26,821)

*Difference refers to the variance between the Fiscal 2012 Adopted Budget and the Fiscal 2013 February Plan.

Below is the possible impact to the BPL system of the proposed deficit in Fiscal 2013.

- **Budget Reductions.** For Fiscal 2013, there is a reduction of \$3.7 million in Fiscal 2013 and the outyears to the system and does not include \$23.2 million restored in the Fiscal 2012 Adopted Budget.
- **Impact on Headcount.** The \$26.9 million deficit for Fiscal 2013 would result in a loss of 543 positions, with 528 positions eliminated through layoffs.
- **Impact on Service.** The average weekly hours of service would be reduced from 44 hours to a maximum of 30 hours a week, which would be a 14-hour reduction in service. The system would possibly close branches. The OTPS spending would remain flat for Fiscal 2013.

Performance Measures

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

	FY 09	FY10	FY11	Target FY12	Target FY13	4-Month Actual FY 11	4-Month Actual FY 12
Average weekly scheduled hours	46	44.3	35.5	44.3	44.3	35.5	43.5
Libraries open six days per week (%)	100%	100%	28%	59%	59%	32%	50%
Circulation	17,273	19,474	20,280	21,000	21,000	7,256	6,626
Reference queries (000)	3,436	3,380	3,401	3,500	3,500	1,134	1,063
Program sessions	46,091	49,398	43,748	38,500	38,500	15,290	13,527
Program attendance	868,616	924,700	855,713	750,000	750,000	302,893	245,792
Total library attendance (000)	13,225	12,036	12,341	14,000	14,000	4,512	4,008

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. Currently, the library system has over 900,000 people who carry a QBPL card and approximately 13,000 visitors in the past year.

Queens Borough Public Library Financial Summary

Dollars in Thousands

	2011 Actual	2012 Adopted	2012 Feb Plan	2013 Feb Plan	Difference* 2012-2013
QBPL	\$81,264	\$83,257	\$81,591	\$56,508	(\$26,749)
TOTAL	\$81,264	\$83,257	\$81,591	\$56,508	(\$26,749)

*Difference refers to the variance between the Fiscal 2012 Adopted Budget and the Fiscal 2013 February Plan.

Below is the possible impact to the BPL system of the proposed deficit in Fiscal 2013.

- **Budget Reductions.** For Fiscal 2013, there is a reduction of \$3.6 million in Fiscal 2013 and the outyears to the system and does not include \$23.2 million restored in the Fiscal 2011 Adopted Budget.
- **Impact on Headcount.** The \$26.8 million deficit would result in a loss of 505 positions eliminated through layoffs.
- **Impact on Service.** The average weekly hours of service would be reduced from 39 hours to a maximum of 26 hours a week, which would be a 13-hour reduction in service. The system would possibly close branches. All OTPS spending would remain flat for Fiscal 2013.

Performance Measures

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

	FY 09	FY10	FY11	Target FY12	Target FY13	4-Month Actual FY 11	4-Month Actual FY 12
Average weekly scheduled hours	45.6	42.7	39.3	38.9	38.9	40.2	39.4
Libraries open six days per week (%)	97%	76%	38%	32%	32%	53%	32%
Circulation	23,018	23,064	20,609	21,200	21,200	7,400	6,562
Reference queries (000)	3,709	3,612	3,177	3,177	3,177	986	1,015
Program sessions	30,101	26,592	29,638	30,000	30,000	8,868	11,052
Program attendance	595,000	550,355	598,931	600,000	600,000	207,400	244,765
Total library attendance (000)	14,824	14,127	12,966	13,950	13,950	4,818	4,384

Capital Program

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.

Capital Budget Summary

There is \$475.6 million in the February 2012 Capital Commitment Plan for Fiscal 2012-2015 for the three public library systems (including City and Non-City funds). This represents about one percent of the City's total \$35.07 billion Capital Commitment Plan for Fiscal 2012-2015. The systems' Preliminary Commitment Plan for Fiscal Year 2012-2015 is 10.5 percent more than the \$430.6 million scheduled in the September Commitment Plan, an increase of \$45 million.

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. For example, since adoption last June, the total Capital Commitment Plan for Fiscal 2013 has increased from \$7.35 billion to \$8.69 billion, an increase of \$1.33 billion or 24.9 percent.

Over the past four years (2008-2011), the systems have only committed an average of about 26 percent of its annual capital plan. Therefore, it is assumed that a portion of the agency's Fiscal 2012 Capital Plan will be rolled into Fiscal 2013, thus increasing the size of the Fiscal 2013-2016 Capital Plan. However, due to the ten percent reduction last fiscal year to the ten-year plan, the libraries capital commitment plan in Fiscal 2012 has decreased from \$295 million at Adoption to \$279 million in the Preliminary Budget, a 5.5 percent reduction.

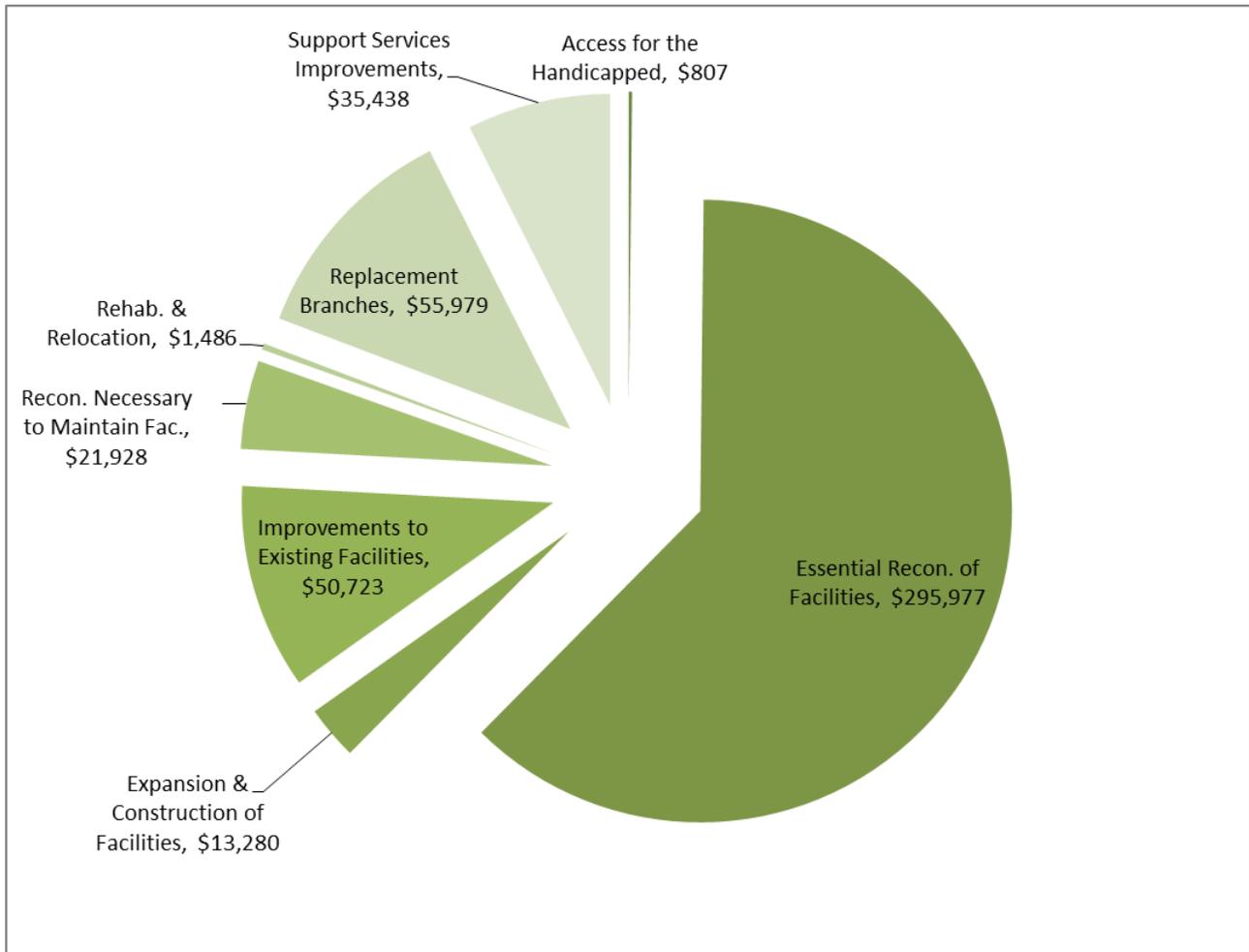
2012-2015 Commitment Plan: Adopted and Preliminary Budget

Dollars in Thousands

	FY12	FY13	FY14	FY15	Total
Adopted					
Total Capital Plan	\$331,816	\$48,861	\$49,920	\$45,550	\$430,597
Preliminary					
Total Capital Plan	\$331,333	\$48,815	\$49,920	\$45,550	\$475,618
Change					
Level	(\$483)	(\$46)	\$0	\$0	\$45,021
Percentage	-0.15%	-0.09%	0.00%	0.00%	10.46%

Preliminary Capital Commitment Plan by Ten Year Plan Category

(All Funds in 000's)



Capital Program Update

The Capital Variance Report indicates a high variance between the September Commitment Plan and the February Commitment Plan for two reasons: movement from one project to another project and the result of the ten percent reduction to the overall capital budget for libraries.

Appendix A: Budget Actions in the November and February Plans

<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$22,573	\$0	\$22,573	\$16,733	\$0	\$16,733
NYPL	112,851	0	112,851	81,625	0	81,625
BPL	84,482	0	84,482	60,973	0	60,973
QBPL	83,257	0	83,257	59,746	0	59,746
Agency Budget as of June 2012 Plan	\$303,162	\$0	\$303,162	\$219,076	\$0	\$219,076
Program to Eliminate the Gap (PEGs)						
NYPL Research	(\$451)	\$0	(\$451)	(\$1,004)	\$0	(\$1,004)
NYPL	(2,259)	0	(2,259)	(4,903)	0	(4,903)
BPL	(1,691)	0	(1,691)	(3,662)	0	(3,662)
QBPL	(1,666)	0	(1,666)	(3,588)	0	(3,588)
Total, PEGs	(\$6,067)	\$0	(\$6,067)	(\$13,157)	\$0	(\$13,157)
Other Adjustments						
BPL (Efficiency Study)	\$100	\$0	\$100	\$0	\$0	\$0
NYPL (CPSD Reimbursement)	249	0	249	0	0	0
NYPL (CEO Funding)	0	0	0	350	0	350
BPL (CEO Funding)	0	0	0	350	0	350
QBPL (CEO Funding)	0	0	0	350	0	350
Total, Other Adjustments	\$349	\$0	\$349	\$1,050	\$0	\$1,050
NYPL Research	\$22,122	\$0	\$22,122	\$15,729	\$0	\$15,729
NYPL	110,840	0	110,840	77,072	0	77,072
BPL	82,891	0	82,891	57,661	0	57,661
QBPL	81,591	0	81,591	56,508	0	56,508
Agency Budget as of February 2012 Plan	\$297,444	\$0	\$297,444	\$206,969	\$0	\$206,969