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Report to the Committees on Finance and Cultural Affairs, Libraries, International Intergroup
Relations jointly with the Subcommittee on Libraries
on the Fiscal Year 2016 Executive Budget for the

Libraries

June 8, 2015

Executive Budget Summary

- **Expense Budget:** The Libraries' budget for Fiscal 2016 totals \$313.9 million, \$2.4 million or less than one percent more than the Fiscal 2015 Adopted Budget of \$311.5 million.
- **Executive Budget Changes:**
 - \$864,000 in new needs; and
 - \$11.7 million for other adjustments.
- **Notable Changes:** The Executive Budget for Fiscal 2016 includes \$70,000 for New York Public Library (NYPL) and Brooklyn Public Library (BPL) for a technology upgrade to allow those who have Municipal IDs to use the library system; \$1.4 million for a Broadband Technology Opportunities Program (BTOP) Sustainability Program to provide New York City communities with improved broadband access and technology instruction; \$332,000 for intra-city agreements with the Department of Citywide Administrative Services (DCAS) for the Expense for Conservation and Efficiency Leadership program (EXCEL) that uses PlaNYC expense funding for energy conservation initiatives.
- **Ten-Year Capital Strategy:** The Executive Ten-Year Capital Strategy for the Library Systems totals approximately \$623.4 million, which is \$561.1 million greater than the Preliminary Ten-Year Capital Strategy of \$62.3 million. Nearly all the funding has been allocated for essential reconstruction of facilities. The library systems will do comprehensive renovations of branches deemed in most critical need.
- **Capital Budget:** The Executive 2016 Capital Commitment Plan includes \$736 million in Fiscal 2015-2019 for the Library systems; the Executive Commitment Plan for Fiscal 2015-

2019 is 26.6 percent greater than the \$581.4 million scheduled in the Preliminary Commitment Plan, an increase of \$154.5 million.

Libraries Overview

Library services are provided through three independent systems: the Brooklyn Public Library (BPL), the New York Public Library (NYPL), and the Queens Borough Public Library (QBPL). These systems operate 214 local library branches throughout the City and four research library centers in Manhattan. The libraries offer free and open access to books, periodicals, electronic resources and non-print materials. A number of public services are also provided such as: reference and career services; Internet access; and educational, cultural and recreational programming for adults, young adults and children. 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.

This report presents a review of Libraries' Fiscal 2016 Executive Budget. The section below presents an overview of the budget and how it has changed during the course of Fiscal 2015, followed by a review of the significant budget actions introduced in the Fiscal 2016 Executive Budget. Major issues related to the libraries' budget are then discussed. Analysis of the Ten-Year Capital Strategy and highlights of the Capital Commitment Plan for the Fiscal 2016 Executive Budget follow the discussion of the expense budget. Appendices 1 and 2 report the changes made to the Fiscal 2015 and Fiscal 2016 Budgets since Adoption of the Fiscal 2015 Budget. For additional information on the budget and its various programs, please refer to the Fiscal 2016 Preliminary Budget Report for the Libraries at: <http://www.council.nyc.gov/html/budget/2016/Pre/lib.pdf>

Libraries Financial Summary						
	Actual	Actual	Adopted	Executive Plan		*Difference
<i>Dollars in Thousands</i>	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Other Than Personal Services	\$304,329	\$241,876	\$311,451	\$326,502	\$313,859	\$2,408
TOTAL	\$304,329	\$241,876	\$311,451	\$326,502	\$313,859	\$2,408
Research Libraries	\$22,278	\$18,617	\$23,356	\$24,268	\$23,800	\$444
NYPL	113,166	89,852	115,885	120,458	116,241	356
BPL	84,698	66,434	85,977	90,628	86,467	490
QBPL	84,188	66,973	86,233	91,148	87,351	1,118
TOTAL	\$304,329	\$241,876	\$311,451	\$326,502	\$313,859	\$2,408
Funding						
City Funds	-	-	\$311,451	\$323,312	\$313,859	\$2,408
Intra City	-	-	0	3,191	0	-
TOTAL	\$304,329	\$241,876	\$311,451	\$326,502	\$313,859	\$2,408

*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Executive Budget.

The City's Fiscal 2016 Executive Budget totals \$78.3 billion, \$3.3 billion more than the Fiscal 2015 Adopted Budget of \$75 billion. For Libraries, the Fiscal 2016 Executive Budget totals \$313.9 million (including City and non-City funds) or less than one percent of the City's Fiscal

2016 Executive Budget. This represents an increase of \$2.4 million over the Fiscal 2015 Adopted Budget of \$311.5 million.

Since the Fiscal 2015 Adopted Budget, several initiatives have impacted both the agency's budget for Fiscal 2015 as well as Fiscal 2016. For Fiscal 2015 these include \$783,000 in new needs and \$14.3 million in other adjustments. In Fiscal 2016 these changes include \$864,000 in new needs and \$11.6 million in other adjustments. Combined, the above actions bring the agency to its current budget amount of \$326.5 million for Fiscal 2015 and \$313.9 million for Fiscal 2016. (See Appendix 2 for a list of all budget actions since adoption.)

Highlights of changes between the Executive 2016 and Adopted 2015 Budgets

- An addition of \$1.4 million for all three library systems for an intra-city contract with New York City's Department of Information Technology and Telecommunications (DOITT) to provide New York City communities with improved broadband access and technology instruction geared toward economic recovery, workforce development, digital literacy, and youth educational enrichment opportunities. Participation in this initiative has enabled libraries to support and sustain a longstanding mission to bridge the digital divide in New York City by providing free or low-cost technology access in recreation centers.
- An addition of \$70,000 for technology upgrades to allow those who have Municipal IDs to use the library systems.
- An addition of \$332,000 for intra-city agreements with the Department of Citywide Administrative Services (DCAS) for the Expense for Conservation and Efficiency Leadership program (EXCEL), a program that uses PlaNYC expense funding for energy conservation initiatives.

Budget Response

- **Increase Libraries Expense Budget by \$65 million.** The Council called upon the Administration to increase funding by \$65 million above the \$313.1 million included in the Preliminary Budget for the library systems. During the Bloomberg Administration, the three library systems were forced to reduce hours, lay-off staff, and limit their circulation in an effort to adhere to budget reduction requirements. Restoring funding to 2008 levels would go a long way to providing six-day service, extending hours of operation per week, increasing education programs such as tech coding and English language classes, creating jobs, and giving the systems leverage to increase non-city funds. The Council urged the Administration to restore library funding to 2008 levels. However, no additional funding was added in the Executive Plan.
- **Increase Libraries Capital Funding by \$450 million for the Next Five Fiscal Years.** The Council called upon the Administration to increase capital funding for the library systems by \$450 million for the next five fiscal years. New funding will allow the library systems to be Americans with Disabilities Act (ADA) compliant, increase the amount of health and life safety projects, update heating and cooling systems, upgrade roofs, conduct full branch renovations, restore façades, and provide technology upgrades. The libraries have received very little capital funding in the outyears of the plan, which does not allow the libraries to effectively plan for the cyclical replacement of building systems, and provides little or no incentive for strategic planning for the future. The Administration partially complied with

this request and added an additional \$300 million to the Executive Plan for capital funding for the library systems.

New in the Executive Budget

Majority of the new needs and adjustments were reflected in the Preliminary Budget. The Preliminary Budget Hearing Report for the Libraries can be found at <http://www.council.nyc.gov/html/budget/2016/Pre/lib.pdf>

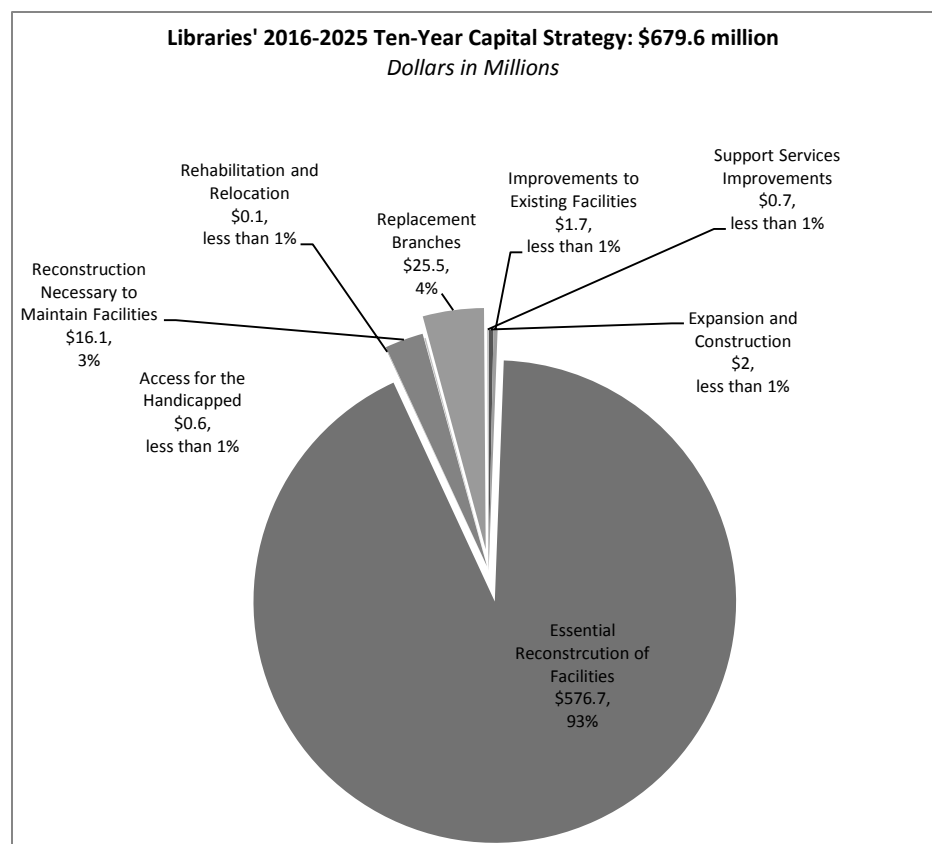
- An addition of \$351,000 for all three library systems for an intra-city contract with New York City's Department of Information Technology and Telecommunications (DOITT) to provide New York City communities with improved broadband access and technology instruction geared toward: economic recovery; workforce development; digital literacy; and youth educational enrichment opportunities. The total value of the contract is \$1.4 million.

Libraries Capital Program

Ten-Year Capital Strategy

The Ten-Year Capital Strategy (the Strategy) is created every other year, as prescribed by the City's Charter, and represents the Administration's priorities for maintaining the City's core infrastructure, moving the City's infrastructure towards a state of good repair and meeting legal mandates. The Strategy is broken out into unique Ten-Year Plan Categories for each City agency which describe the different types of work being done. The Strategy also plays a key role in establishing the planned capital commitments for the City's four-year Executive Capital Commitment Plan, which is a subset of this long term strategic document.

The Ten-Year Capital Strategy released by the Mayor on May 7, 2015 totals \$83.8 billion which is an increase of 23.8 percent from the Preliminary Ten-Year Capital Strategy total of \$67.7 billion. The Libraries' Ten-Year Capital Strategy for Fiscal 2016-2025 totals approximately \$623.4 million, which is a significant increase as compared to the Preliminary Ten-Year Capital Strategy which totaled \$561.1 million. Of the \$561.1 million increase, a majority of the new funding is for reconstruction of facilities for the library systems.



The Libraries' capital projects are divided into seven categories as illustrated by the chart above. Each of these categories and their budgets are discussed below.

Libraries Fiscal 2016-2025 Ten-Year Capital Strategy											
<i>Dollars in Thousands</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Expansion and Construction	17	215	168	0	221	0	0	221	221	221	1,284
Improvements to Existing Facilities	204	0	0	0	0	0	0	0	0	0	204
Essential Reconstruction of Facilities	0	0	46	221	0	221	221	0	0	0	709
Total: New York Research Library	\$221	\$215	\$214	\$221	\$221	\$221	\$221	\$221	\$221	\$221	\$2,197
Rehabilitation and Relocation of Branch Libraries	54	0	0	0	0	0	0	0	0	0	54
Essential Reconstruction of Facilities	71,517	14,447	25,164	20,658	20,671	15,684	15,698	712	735	760	186,046
Reconstruction Necessary to Maintain Facilities	1,315	695	0	0	0	0	0	0	0	0	\$2,010
Total: Brooklyn Public Library	\$72,886	\$15,142	\$25,164	\$20,658	\$20,671	\$15,684	\$15,698	\$712	\$735	\$760	\$188,110
Access for the Handicapped	600	-	-	-	-	-	-	-	-	-	600
Expansion and Construction of Facilities	750	-	-	-	-	-	-	-	-	-	750
Improvements to Existing Facilities	1,500	-	-	-	-	-	-	-	-	-	1,500
Essential Reconstruction of Facilities	28,386	118,565	20,846	20,862	20,878	15,895	15,913	931	962	993	244,231
Total: New York Public Library	\$31,236	\$118,565	\$20,846	\$20,862	\$20,878	\$15,895	\$15,913	\$931	\$962	\$993	\$247,081
Replacement Branches	25,525	0	0	0	0	0	0	0	0	0	25,525
Essential Reconstruction of Facilities	32,908	13,600	24,186	20,690	20,579	15,717	15,731	746	771	796	145,724
Reconstruction Necessary to Maintain Facilities	13,651	362	0	0	125	0	0	0	0	0	14,138
Support Services Improvements	453	200	0	0	0	0	0	0	0	0	653
Total: Queens Public Library	\$72,537	\$14,162	\$24,186	\$20,690	\$20,704	\$15,717	\$15,731	\$746	\$771	\$796	\$186,040
Total	\$176,880	\$148,084	\$70,410	\$62,431	\$62,474	\$47,517	\$47,563	\$2,610	\$2,689	\$2,770	\$623,428

Brooklyn Public Library (BPL)

The Executive Ten-Year Capital budget for BPL is \$188.8 million, the majority of which (\$186.1 million) is for essential reconstruction of facilities and the remaining \$2 million is for reconstruction necessary to maintain facilities. Funding will provide for public service enhancements, cyclical replacements of building components such as roofs, HVAC and boilers, and American Disabilities Act (ADA) compliance.

New York Public Library (NYPL) and Research Libraries

The Executive Ten-Year Capital budget for NYPL and Research is \$249.3 million, \$245 million of which is for essential reconstruction of facilities, \$2 million is for the expansion and construction of facilities, \$1.7 million is for improvements to existing facilities, and \$600,000 is for increasing access for the handicapped. The additional \$100 million that the Mayor committed to the strategy will be used for the renovation of the following five branches: Ft. Washington branch, 125th Street branch, Hunts Point branch, Melrose branch, and Pt. Richmond branch. Additional funding for the branches will be used for maintaining and upgrading facilities such as roofs, windows and door replacements and ADA compliance.

Queens Borough Public Library (QBPL)

The Executive Ten-Year Capital budget for QBPL is \$186 million, \$145.7 million of which is for essential reconstruction of facilities, \$25.5 million is for the replacement of branches, \$14.1 million is for reconstruction necessary to maintain facilities, and \$700,000 is for support services improvements. Funding is provided for renovations and rehabilitations, systems upgrades, and cyclical replacements of building components such as roofs, windows, and doors.

Capital Commitment Plan

The Fiscal 2016 Executive Capital Commitment Plan includes \$736 million in Fiscal 2015-2019 for the Libraries (including City and Non-City funds). This represents approximately 1.3 percent of the City's total \$57.4 billion Executive Plan for Fiscal 2015-2019. The Libraries' Executive Commitment Plan for Fiscal 2015-2019 is 27 percent greater than the \$581.4 million scheduled in the Preliminary Commitment Plan, an increase of \$154.5 million.

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. For example, in Fiscal 2014, the Library system committed \$42.2 million or 11.6 percent of its annual capital plan of \$364.4 million. Therefore, as illustrated in the table below, a significant portion of the Libraries' Fiscal 2015 Capital Plan will be rolled into Fiscal 2016, thus increasing the size of the Fiscal 2016-2019 Capital Plan.

Libraries 2015-2019 Capital Commitment Plan						
<i>Dollars in Thousands</i>	2015	2016	2017	2018	2019	Total
Preliminary Plan	\$534,747	\$21,024	\$12,836	\$10,410	\$2,431	\$581,448
Executive Plan	278,181	176,880	148,084	70,410	62,431	735,986
Change	(256,566)	155,856	135,248	60,000	60,000	154,538
Percentage Change	(48%)	741%	1054%	576%	2468%	27%

Source: OMB Fiscal 2016 Executive Capital Commitment Plan

Executive Budget Highlights

Major changes and highlights in the Libraries' Executive Capital Plan for Fiscal 2015-2019 include:

- **New York Public Library.** There is \$330.2 million (including City and non-city) in the Fiscal 2015-2019 Executive Capital Plan for the NYPL branches. Highlighted projects include Mid-Manhattan Campus construction and site acquisition at \$149.7 million and improvement of branches at \$1 million. Other big projects include Westchester Square branch construction for \$14 million and improvement of branches at \$1.8 million. Another major project highlighted in the Plan includes the Charleston branch site acquisition and the new branch construction at \$11 million.
- **Queens Borough Public Library.** There is \$224.1 million (including City and non-city) in the Fiscal 2015-2019 Executive Capital Plan for QBPL. Highlighted projects include construction work for the Hunters Point Branch at \$29.5 million, and the Far Rockaway Branch facilities replacement at \$19.3 million. Rego Park Branch has capital funding budgeted at \$6.9 million which includes \$6.3 million for facility replacement costs and \$538,000 for closed-circuit television (CCTV) and heating, ventilation, and air conditioning (HVAC).
- **Brooklyn Public Library.** There is \$159 million (including City and non-city) in the Fiscal 2015-2019 Executive Capital Plan for BPL. Roughly \$7 million is for improvements of branches that suffered damage due to Superstorm Sandy. Other projects include the DeKalb Branch which has a renovation expense of \$3.5 million and roof replacement at \$22,000. Also, \$23.6 million in renovations are planned for the Central Library and this includes

elevator repairs, emergency and safety systems update, heating, ventilation, and air conditioning (HVAC) replacement and bathroom repairs.

- **New York Research Libraries.** There is \$22.7 million (including City and non-city funds) in Fiscal 2015-2019 Executive Capital Plan for research libraries. The majority of the capital funding (\$12.6 million) is earmarked for renovations of the Schomburg Center for Research.

Appendix 1: Libraries Fiscal 2016 Executive Budget Actions

<i>Dollars in Thousands</i>	Fiscal 2015			Fiscal 2016		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$24,276	\$0	\$24,276	\$23,631	\$0	\$23,631
NYPL	119,569	774	120,343	115,788	0	115,788
BPL	89,286	1,099	90,385	86,307	0	86,307
QBPL	90,092	966	91,058	87,405	0	87,405
Libraries Budget as of the Fiscal 2016 Preliminary Plan	\$323,223	\$2,839	\$326,062	\$313,131	\$0	\$313,131
Other Adjustments						
Balance Transfer for Sustainability	\$0	\$351	\$351	\$0	\$0	\$0
Collective Bargaining	466	0	466	511	0	511
Heat, Light and Power	(376)	0	(376)	217	0	217
Subtotal Other Adjustments	\$90	\$351	\$441	\$728	\$0	\$728
TOTAL All Changes	\$90	\$351	\$441	\$728	\$0	\$728
NYPL Research	\$24,268	\$0	\$24,268	\$23,800	\$0	\$23,800
NYPL	119,600	858	120,458	116,241	0	116,241
BPL	89,390	1,238	90,628	86,467	0	86,467
QBPL	90,053	1,095	91,148	87,351	0	87,351
Libraries Budget as of the Fiscal 2016 Executive Plan	\$323,313	\$3,191	\$326,503	\$313,859	\$0	\$313,859

Appendix 2: Libraries Budget Actions since Fiscal 2015 Adoption

<i>Dollars in Thousands</i>	Fiscal 2015			Fiscal 2016		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$23,356	\$0	\$23,356	\$22,656	\$0	\$22,656
NYPL	115,885	0	115,885	112,185	0	112,185
BPL	85,977	0	85,977	83,177	0	83,177
QBPL	86,233	0	86,233	83,372	0	83,372
Libraries Budget as of the Fiscal 2015 Adopted Plan	\$311,451	\$0	\$311,451	\$301,390	\$0	\$301,390
New Needs						
NYPL Municipal ID Card Integration	\$35	\$0	\$35	\$0	\$0	\$0
BPL Municipal ID Card Integration	35	0	35	0	0	0
QBPL Funding Adjustment	713	0	713	864	0	864
Subtotal New Needs	\$783	\$0	\$783	\$864	\$0	\$864
Other Adjustments						
Balance Transfer for Sustainability	\$0	\$1,405	\$1,405	\$0	\$0	\$0
Collective Bargaining	10,413	0	10,413	10,916	0	10,916
Heat, Light and Power	(376)	0	(376)	217	0	217
Member Item Reallocation	587	0	587	0	0	0
NYPL PS Adjustments	7	0	7	9	0	9
BPL PlaN Excel Program	0	332	332	0	0	0
BPL PS Adjustments	282	0	282	241	0	241
QBPL PS Adjustment	168	0	168	221	0	221
OC REALLOCATION	0	1,225	1,225	0	0	0
QBPL plaNYC ENERGY CONSERVATION	0	53	53	0	0	0
QBPL QPL#039 OC REALLOCATION	0	175	175	0	0	0
Subtotal Other Adjustments	\$11,080	\$3,190	\$14,270	\$11,604	\$0	\$11,604
TOTAL All Changes	\$11,863	\$3,190	\$15,053	\$12,468	\$0	\$12,468
NYPL Research	\$24,268	\$0	\$24,268	\$23,800	\$0	\$23,800
NYPL	119,600	858	120,458	116,241	0	116,241
BPL	89,390	1,238	90,628	86,467	0	86,467
QBPL	90,053	1,095	91,148	87,351	0	87,351
Libraries Budget as of the Fiscal 2016 Executive Plan	\$323,311	\$3,191	\$326,502	\$313,859	\$0	\$313,859