

The Council of the City of New York

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Report on the Fiscal Year 2015 Executive Budget for the

Libraries

June 3, 2014

Executive Budget Highlights

- The Executive Budget for the libraries remains relatively unchanged. The Fiscal 2015 Executive Budget for the three library systems combined is \$301 million, a net increase of \$65,000 when compared to the Fiscal 2014 Adopted Budget. The following are the total budgets for each library system.
 - New York Research Libraries: \$22.7 million
 - New York Public Libraries: \$112 million
 - Brooklyn Public Libraries: \$83 million
 - Queens Borough Public Libraries: \$83 million
- The Fiscal 2015 Libraries Executive Budget includes funding adjustments for health insurance increments, the Young Men's Initiative and energy, totaling \$886,000.
- There is approximately \$573 million for the libraries in the Fiscal 2015 Executive Capital Commitment Plan, an increase of \$1 million when compared to the Fiscal 2015 Preliminary Commitment Plan. A total of \$538 million, or 94 percent, of the Capital funds is City funds.
- The Executive Budget maintained the \$106.2 million baselined funding included in the November Plan for Fiscal 2015 and in the outyears. This baselined funding allows the library systems to continue to employ nearly 3,800 people across the City.

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 209 local library branches throughout the City and four research library centers in Manhattan. This report provides an overview of the City's three public library systems' Fiscal 2015 Budget, a review of the significant initiatives included in the Executive Budget, and a summary of the Libraries Capital Commitment Plan for Fiscal 2014-2018. Appendix 1 reports the changes made to the Fiscal 2014 and Fiscal 2015 Budgets since the Adoption of the Fiscal 2014 Budget. For additional information on the Libraries' Budget and its various programs, please refer to the "Libraries Fiscal 2015 Preliminary Budget Report" available on the Council's website.

Libraries Financial Summary						
<i>Dollars in Thousands (Adjusted for prepayments)</i>	2012 Actual	2013 Actual	2014 Adopted	FY14 as of FY15 Exec. Budget	2015 Exec. Budget	Change* 2014-2015
Research Libraries	\$19,468	\$22,278	\$22,637	\$22,636	\$22,656	\$19
NYPL	97,640	113,166	112,108	112,108	112,185	77
BPL	75,181	84,698	83,649	83,649	83,177	(472)
QBPL	75,017	84,188	82,931	82,931	83,372	441
Total	\$267,306	\$304,330	\$301,325	\$301,324	\$301,390	\$65

*Change from Fiscal 2014 Adopted Budget to Fiscal 2015 Executive Budget.

New in the Executive Budget

New York Public Library & Research Library Systems

The New York Public Library (NYPL) 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). Highlighted below are the slight adjustments to both the research libraries as well as the NYPL branches.

New York Public Library Financial Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	FY14 as of FY15 Exec. Budget	2015 Exec. Budget	Change* 2014-2015
Branch Libraries	\$97,640	\$113,166	\$112,108	\$88,336	\$112,185	\$77
Total	\$97,640	\$113,166	\$112,108	\$88,336	\$112,185	\$77

New York Research Library Financial Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	FY14 as of FY15 Exec. Budget	2015 Exec. Budget	Change* 2014-2015
Research Libraries	\$19,468	\$22,278	\$22,637	\$18,507	\$22,656	\$19
Total	\$19,468	\$22,278	\$22,637	\$18,507	\$22,656	\$19

* Change from Fiscal 2014 Adopted Budget to Fiscal 2015 Executive Budget.

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. Below outlines the impact to the BPL system.

Brooklyn Public Library Financial Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	FY14 as of FY15 Exec. Budget	2015 Exec. Budget	Change* 2014-2015
BPL	\$75,181	\$84,698	\$83,649	\$83,649	\$83,177	(\$472)
Total	\$75,181	\$84,698	\$83,649	\$83,649	\$83,177	(\$472)

* Change from Fiscal 2014 Adopted Budget to Fiscal 2015 Executive Budget.

Queens Borough Public Library

The Queens Borough Public Library (QBPL) consists of 62 branch libraries, including the Langston Hughes Library and Cultural Center and Central Library. Below outlines the impact to the QBPL system.

Queens Borough Public Library Financial Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Actual	2014 Adopted	FY14 as of FY15 Exec. Budget	2015 Exec. Budget	Change* 2014-2015
QBPL	\$75,017	\$84,188	\$82,931	\$82,931	\$83,372	\$441
Total	\$75,017	\$84,188	\$82,931	\$82,931	\$83,372	\$441

* Change from Fiscal 2014 Adopted Budget to Fiscal 2015 Executive Budget.

The Council's Preliminary Budget Response

In the Council's Preliminary Budget Response, it urged the Administration to increase funding to the three library systems by \$35 million. This funding would go a long way to provide 6-day service, increasing hours of operation to over 50 hours a week, increasing education programs, and giving the systems leverage to increase non-city funds. Throughout the Bloomberg Administration, the systems were forced to reduce hours, lay-off staff and limit their circulation in an effort to meet the budget reduction requirements. While the November Plan baselined funding for the three systems, it did not take into account the impact of year-over-year budget reductions. The suggested increase in funding was not reflected in the Executive Budget for Fiscal 2015 or in the outyears.

Budget Highlights in Libraries

Historically, the Council and the Administration have routinely provided supplemental or restorative funds to the City's operational subsidy for the research and branch libraries to ensure the libraries were able to maintain necessary service hours and materials for all New Yorkers. Large funding deficits to the three systems beginning in Fiscal 2010 necessitated the Council and the Administration to restore funding. In Fiscal 2014 the Council provided \$12.7 million and the Administration provided \$93.4 million to restore proposed cuts. This \$106.2 million restoration was included in the November Plan for Fiscal 2015 and in the outyears. This baselined funding allows the library systems to continue to employ nearly 3,800 people across the City. The following chart provides a breakdown of the Fiscal 2014 restoration to each system.

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

Libraries Capital Program

The Executive 2015 Capital Commitment Plan includes roughly \$573 million in Fiscal 2014-2018 for the three library systems (including City and Non-City funds). This represents approximately one percent of the City's total \$48.9 billion Executive Plan for Fiscal 2014-2018. The systems' Executive Commitment Plan for Fiscal 2014-2018 is less than one percent greater than the \$572 million scheduled in the Preliminary Commitment Plan, an increase of \$1 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. In Fiscal Year 2013, the three systems committed \$26.6 million or about eight percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2014 Capital Plan will be rolled into Fiscal 2015, thus increasing the size of the Fiscal 2015-2018 Capital Plan as reflected in the chart below.

Since adoption last June, the City-wide total Capital Commitment Plan for Fiscal 2014 has decreased from \$20.9 billion in the Adopted Capital Commitment Plan to \$14.2 billion in the Executive Capital Commitment Plan, a decrease of \$6.7 billion or 32.1 percent.

Libraries 2014-2018 Capital Commitment Plan

<i>Dollars in Thousands</i>	FY14	FY15	FY16	FY17	FY18	Total
Executive Plan	\$364,421	\$177,398	\$10,535	\$10,336	\$10,410	\$573,100
Preliminary Plan	\$516,623	\$47,350	\$3,845	\$2,095	\$2,170	\$572,083
Change	(\$152,202)	\$130,048	\$6,690	\$8,241	\$8,240	\$1,017
Percentage Change	-29%	275%	174%	393%	380%	0.2%

Major Capital Projects & Executive Commitment Plan Highlights

There is approximately \$573 million in the Fiscal 2015 Executive Capital Commitment Plan, \$538 million of which are City funds, or 94 percent, of the capital funding. A total of \$139 million in City funds were moved out of Fiscal 2014 and the funds were shifted to the outyears to accurately reflect where spending will occur.

Major changes and highlights in the Libraries Executive Capital Commitment Plan for Fiscal 2014-2018 include:

- **New York Public Library.** The Executive Capital Commitment Plan includes \$288 million (including city and non-city) in Fiscal 2014 and in the outyears. Plan highlights include \$151 million for the Central Library Master Plan which is currently on hold and an additional \$14 million for the replacement and construction of the Westchester branch.
- **Queens Borough Public Library.** The Executive Capital Commitment Plan includes \$168 million (including city and non-city) in the Capital commitment plan. The planned commitments in the Executive Plan include over \$18 million for the Far Rockaway branch and roughly \$24 million for the Queens West (Hunters Point) facility.
- **Brooklyn Public Library.** In the Executive Capital Commitment Plan, there is \$93 million for BPL capital plans (including city and non-city). Roughly \$7 million is planned for the BPL Central Library renovation and an additional \$4 million for a youth services library. Majority of the funding is various critical borough-wide infrastructure improvement projects.
- **New York Research Libraries.** A total of \$24 million is in the Fiscal 2014 Executive Capital Commitment Plan for the Research Libraries. The majority of the capital funding is for the renovations at the Schomburg Center for Research.

Appendix 1: Libraries Budget Actions since Fiscal 2014 Adoption

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$18,508	\$0	\$18,508	\$14,975	\$0	\$14,975
NYPL	88,336	0	88,336	72,591	0	72,591
BPL	65,173	0	65,173	53,994	0	53,994
QBPL	64,836	0	64,836	53,261	0	53,261
Libraries Budget as of Adopted Fiscal 2014 Budget	\$236,853	\$0	\$236,853	\$194,821	\$0	\$194,821
Other Adjustments						
NYPL Intracity Adjustments	\$0	\$124	\$124	\$0	\$0	-
BPL Intracity Adjustments	0	296	296	0	0	-
QBPL Intracity Adjustments	0	372	372	0	0	-
QBPL City Adjustments	24	0	24	0	0	-
BPL City Adjustments	17	0	17	0	0	-
NYPL Subsidy	0	0	0	39,517	0	39,517
NYPL Research Subsidy	0	0	0	7,647	0	7,647
BPL Subsidy	0	0	0	29,631	0	29,631
QBPL Subsidy	0	0	0	29,540	0	29,540
NYPL - YMI and CEO ADJ	0	1,400	1,400	0	0	-
NYPL Research Prepayment	4,129	0	4,129	0	0	-
NYPL Prepayment	23,772	0	23,772	0	0	-
BPL Prepayment	18,460	0	18,460	0	0	-
QBPL Prepayment	18,095	0	18,095	0	0	-
NYPL Research - Heat, Light and Power	124	0	124	33	0	33
NYPL - Heat, Light and Power	289	0	289	77	0	7
NYPL- CEO & YMI Reversal		(875)	0		0	-
BPL- Heat, Light and Power	(93)	0	(93)	(448)	0	(448)
BPL- Other Adjustments	70	0	70	0	0	-
QBPL- Heat, Light and Power	253	0	253	(21)	0	(21)
QBPL- Other City Adjustments	593	0	593	593	0	593
QBPL - Other Intracity Adjustments		525	0	0	0	-
Total, Other Adjustments	\$65,733	\$1,842	\$67,925	\$106,335	\$0	\$106,335
NYPL Research	\$22,761	\$0	\$22,761	22,655	0	22,655
NYPL	112,397	649	113,046	112,185	0	112,185
BPL	83,610	296	83,906	83,177	0	83,177
QBPL	83,777	897	84,674	83,373	0	83,373
Libraries Budget as of Executive Fiscal 2015 Budget	\$302,545	\$1,842	\$304,387	\$301,390	\$0	\$301,390