

The Council of the City of New York



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Report on the Fiscal Year 2015 Executive Budget for the

The Department of Cultural Affairs

June 3, 2014

Executive Budget Highlights

- The proposed budget for the Department of Cultural Affairs (DCLA) in the Fiscal 2015 Executive Budget is \$148.6 million, five percent, or roughly \$8 million, less than the Fiscal 2014 Adopted Budget of \$156.7 million.
 - The nearly \$8 million decrease affects the funding for the non-profit cultural organizations and the institutions. It is a combination of one-time City Council funds and energy adjustments.
- The overall headcount for DCLA is increased by one position in the Executive Budget to 49.
- The Fiscal 2015 Executive Budget for DCLA includes a reduction of \$616,270 to heat, light, and power spending.
- The projected budget for Fiscal 2015 includes \$34 million for the Cultural Development Fund (CDF), which is \$3 million less than what was in the Fiscal 2014 Adopted Budget.
 - The \$3 million is mostly one-time Council local initiatives.
- The Fiscal 2015 Executive Budget includes \$108.5 million for the City's 33 Cultural Institutions, \$45.1 million of which is in energy subsidies.
 - The decrease of \$5.1 million in the 2015 Executive Budget when compared to the Fiscal 2014 Adopted Budget is primarily one-time energy adjustments made by the Administration.
- The Department's Executive Capital Budget is nearly \$932 million, an increase of almost \$8 million when compared to the Fiscal 2015 Preliminary Budget.
 - This increase reflects funding for various projects rolled into Fiscal 2015 and in the outyears from previous fiscal years.

The Department of Cultural Affairs

This report provides an overview of the Department of Cultural Affairs Fiscal 2015 Budget, a review of the significant initiatives included in the Executive Budget, and a summary of the Department's Capital Budget for Fiscal 2014-2018. Appendices 1 and 2 report the changes made to the Fiscal 2014 and Fiscal 2015 Budgets since the Adoption of the Fiscal 2014 Budget. For additional information on the DCLA Budget and its various programs, please refer to the "DCLA Fiscal 2014 Preliminary Budget Report" available on the City Council's website.

DCLA Financial Summary

Dollars in Thousands	FY12 Actual	FY13 Actual	FY14 Adopted	FY14 as of FY15 Exec. Budget	FY15 Exec Budget	*Change FY14 - FY15
Budget by Program Area						
Office of the Commissioner	\$5,302	\$5,323	\$5,662	\$6,228	5,745	\$83
Cultural Programs	36,011	35,963	37,444	38,536	34,368	(3,076)
Cultural Institutions	106,435	105,196	113,669	111,799	108,514	(5,155)
Total	\$147,748	\$146,482	\$156,775	\$156,563	\$148,627	(\$8,148)
Funding						
City Funds			\$156,121	\$150,682	\$147,973	(\$8,148)
Other Categorical			0	14	0	0
Capital- IFA			237	237	237	0
State			0	186	0	0
Federal - Community Development			237	590	237	0
Federal - Other			0	1,871	0	0
Intra City			180	2,983	180	0
Total	\$147,748	\$146,482	\$156,775	\$156,563	\$148,627	(\$8,148)
Budgeted Headcount						
Full-Time Positions - Budgeted	48	48	48	49	49	1
Total	48	48	48	49	49	1

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

New in the Executive Budget

New Needs and Other Adjustments

There are no significant changes to the Executive Budget when compared to the Fiscal 2015 Preliminary Budget. The majority of changes for Fiscal 2015 are due to heat, light and power adjustments and one-time funding in the Council local initiatives. The changes include:

- \$93,000 for a lease adjustment; and
- A decrease of \$616,270 in heat, light and power costs.

Reflected in the Executive Plan is one new need of \$78,000 in Fiscal 2014 for the Materials for the Arts Warehouse for linoleum floors, which was not capital eligible.

The Council's Preliminary Budget Response

In the Council's Preliminary Budget Response, it encouraged the Administration to provide a base level of capital funding for smaller organizations. The Council suggested that DCLA create a system in which smaller arts organizations can receive a base level of support from DCLA for

capital funding. Often-times, smaller arts organizations cannot raise the necessary funds for capital projects and it minimizes their opportunity to better serve their communities. This suggestion was not reflected in the Executive Budget for Fiscal 2015 or in the outyears.

Budget Highlights in DCLA

For Fiscal 2014 City Council funding is twelve percent of the Department's City-funds budget for programs and the institutions, totaling \$19.4 million. In addition to restoring reductions, this funding is for initiatives that expand arts education in public schools and ensures the existence of historically diverse performing arts organizations in the City. In addition, in the Fiscal 2014 Adopted Budget, there is one-year funding from the Administration which makes up 28 percent of the DCLA's funding for cultural programs and institutions.

In the November Plan, both funding streams were baselined for Fiscal 2015 and maintained in the Executive Budget. The chart below outlines the Council's and the Administration's Fiscal 2014 restorations. The "local initiatives" are one- year funding items and were not baselined.

FY 2014 Council and Administration Funding at Adoption by Program Area

Dollars in Thousands

Cultural Programs	City Council	Administration	Total
Cultural Development Fund Restoration	\$4,000	\$10,313	\$14,313
Cultural After School Adventure (CASA)	5,100	0	5,100
Coalition of Theaters of Color	700	0	700
Design Week	100	0	100
Local Initiatives	3,019	0	3,019
Subtotal	\$12,919	\$10,313	\$23,232
Cultural Institutions			
PEG Restorations	\$6,000	\$33,779	\$39,779
Local Initiatives	508	0	508
Subtotal	\$6,508	\$33,779	\$40,287
TOTAL	\$19,427	\$44,092	\$63,519

Department of Cultural Affairs Capital Program

The Executive 2015 Capital Commitment Plan includes nearly \$932 million in Fiscal 2014-2018 for the Department of Cultural Affairs (including City and Non-City funds). This represents approximately two percent of the City's total \$48.9 billion Executive Plan for Fiscal 2014-2018. The agency's Executive Commitment Plan for Fiscal 2014-2018 is one percent greater than the roughly \$924 million scheduled in the Preliminary Commitment Plan, an increase of \$7.99 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 Department of Cultural Affairs committed \$176.2 million or about 26.7 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.

DCLA 2014-2018 Capital Commitment Plan

<i>Dollars in Thousands</i>	FY14	FY15	FY16	FY17	FY18	Total
Executive Plan	\$713,310	\$125,648	\$16,586	\$26,532	\$49,616	\$931,692
Preliminary Plan	\$872,703	\$24,395	\$8,585	\$9,443	\$8,581	\$923,707
Change	(\$159,393)	\$101,253	\$8,001	\$17,089	\$41,035	\$7,985
Percentage Change	-22%	81%	48%	64%	83%	1%

Major Capital Projects & Executive Budget Highlights

Brooklyn Botanic Garden

The Brooklyn Botanic Garden's South Garden Redevelopment consists of projects taken from the Garden's Master Plan that will help meet that plan's goals of strengthening sustainable operations and improving connections to surrounding neighborhoods. The project will construct a new Garden entrance at Flatbush Avenue, a newly expanded Children's Discovery Garden, and a Café renovation. The project is currently in construction, with an opening planned for the Spring of 2015. Phase 2, which received funding in Fiscal 2014, will install a comprehensive system to capture rainfall and filter and recirculate captured water, thereby reducing the use of fresh water and minimizing stormwater outflow while also creating a new Water Garden at the existing Terminal Pond. This phase of the project is expected to commence in late summer 2014.

Irish Arts Center (IAC)

The Irish Arts Center will construct a new cultural center and performance space. The expanded facility will allow the Center become New York's leading multi-disciplinary promoter of Irish arts and culture. The new 40,000 sq. ft. facility will be constructed on and adjacent to the existing IAC facility and will include a 199-seat performing arts venue, rehearsal space and dressing areas, exhibition space for both visual arts and historical/cultural educational exhibitions, classroom space, a dance studio, a language lab and administrative offices. The project is currently in design by the government of Ireland's Office of Public Works, and the IAC is actively fundraising for the project.

Billie Holiday Theater (BHT)

The Billie Holiday Theater, located in Bedford Stuyvesant in Brooklyn, specializes in African-American dramatic arts, and promotes affordable access to theater. The organization's scope of capital work includes the interior reconstruction and reorganization of an existing theater with state of the art technology, providing the BHT staff and community a venue with greater flexibility in its programming. This new technology and flexibility will enable BHT to present two or more different productions in one day. The project is in the final design stage, with the Department of Design and Construction anticipating a construction start date in August 2014.

Carnegie Hall

The latest Carnegie Hall project includes a comprehensive reconstruction of the Studio Tower, consisting of 175,000 sq. ft. in three areas: (1) renovation of the non-performance areas; (2) upgrade of building systems; and (3) creation of a new educational center that will support and expand CH's music education programs. As part of the Studio Towers Renovation Project, a new 61,000 square foot education wing will be created which includes 24 new music rooms, including practice rooms, teaching studios and ensemble rooms. The rooms will be used for a variety of educational activities, including interactive events for children. Construction was expected to be completed in March 2014, with a public opening with the kickoff of the fall season in September 2014.

Flushing Town Hall (FTH)

The Flushing Town Hall capital project involves a complete HVAC upgrade to Flushing Town Hall and flooring replacement throughout the building. The scope of work also includes various improvements in the theater such as new lighting, risers, seating boxes and mezzanine safety

rail. FTH currently uses window AC units because its central HVAC system needs repairs. This upgrade will enable its gallery to function as a climate controlled space, increasing its programming flexibility and energy efficiency. The project is expected to be completed by May 2014.

Staten Island Museum (SIM)

The Staten Island Museum project will reconstruct Building A at the Snug Harbor Cultural Center for a museum quality space for SIM's collection and public programming. Relocation of SIM's exhibition and program spaces from their present location at 75 Stuyvesant Place to the landmark Buildings A & B at Snug Harbor will provide SIM with high visibility on the SHCC campus. The project will renovate 37,000 sq. ft. for museum quality gallery and program space, provide the new mechanical electrical systems necessary to secure certification. The renovation will finally allow SIM to exhibit a major portion of its art collection, currently in off-site storage, to the community. Major reconstruction includes construction a new five story structural system, creation of a closed loop geothermal heating and cooling system and a mechanical infrastructure for both buildings. An auditorium will provide a lecture hall and venue for local and visiting performing artists. The project will open to the public in October 2014.

Other Capital Highlights

The 2014-2018 Capital Commitment Plan includes the following projects:

- \$6.2 million for the Nuyorican Poets Café
- \$2 million for the Brooklyn Museum climate control system
- \$14.2 million in various upgrades and improvements at the Snug Harbor Cultural Center

Appendix 1: DCLA Fiscal 2015 Executive Budget Actions

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
DCLA Preliminary Fiscal 2015 Budget	\$156,379	\$5,867	\$162,246	\$148,496	\$654	\$149,150
New Needs						
MFTA Warehouse	\$78	\$0	\$78	\$0	\$0	\$0
Subtotal New Needs	\$78	\$0	\$78	\$0	\$0	\$0
Other Adjustments						
Heat, Light and Power	(\$5,769)	\$0	(5,769)	(\$616)	\$0	(616)
Lease Adjustment	0	0	0	93	0	93
Other Adjustments	(6)	14	8	0	0	0
Subtotal Other Adjustments	(\$5,775)	\$14	(\$5,761)	(\$523)	\$0	(\$523)
Total All Changes	(\$5,697)	\$14	(\$5,683)	(\$523)	\$0	(\$523)
DCLA Executive Fiscal 2015 Budget	\$150,682	\$5,881	\$156,563	\$147,973	\$654	\$148,627

Appendix 2: DCLA Budget Actions since Fiscal 2014 Adoption

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
DCLA Adopted Fiscal 2014 Budget	\$156,121	\$654	\$156,775	\$88,504	\$654	\$89,158
New Needs						
MFTA Warehouse	\$78	\$0	\$78	\$0	\$0	\$0
Subtotal New Needs	\$78	\$0	\$78	\$0	\$0	\$0
Other Adjustments						
Nov. Cultural Institutions Subsidy & Program Groups	\$0	\$0	\$0	\$59,992	\$0	\$59,992
Nov. Cultural Intracity Funds	2,532	0	2,532	0	0	0
Nov. Cultural State Adjustments	0	186	186	0	0	0
Nov. Cultural City Adjustments	168	0	168	0	0	0
Nov. Cultural Fed & FEMA Adjustments	0	2,224	2,224	0	0	0
Prelim. Cultural Intracity Funds	0	270	270	0	0	0
Prelim. Lease Adjustment	91	0	91	0	0	0
Exec. Heat, Light and Power	(5,769)	0	(5,769)	(616)	0	(616)
Exec. Lease Adjustment	0	0	0	93	0	93
Exec. Other Adjustments	(6)	14	8	0	0	0
Subtotal, Other Adjustments	(\$2,984)	\$2,694	(\$290)	\$59,469	\$0	\$59,469
Total All Changes	(\$2,906)	\$2,694	(\$212)	\$59,469	\$0	\$59,469
DCLA Executive Fiscal 2015 Budget	\$153,215	\$3,348	\$156,563	\$147,973	\$654	\$148,627