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Report on the Fiscal 2017 Executive Budget

Libraries

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Executive Budget Summary

Expense Budget Overview. The Libraries' budget for Fiscal 2017 totals \$341 million, \$16.7 million or 4.7 percent less than the Fiscal 2016 Adopted Budget of \$357.7 million.

- **Executive Budget Changes:**
 - No new needs; and
 - A reduction of \$1.5 million for lower than expected energy costs.
- **Major Issue.** The Fiscal 2017 Executive Budget does not include the additional \$43 million in expense funding and the additional \$100 million in capital funding as recommended by the Council in its Preliminary Budget Response.
 - In Fiscal 2016, the City Council invested \$21 million and the Administration invested an additional \$22 million, for a total of approximately \$43 million into the three Library systems to increase access to libraries and ensure 6-day service in every public library across the City. Since then, the Library systems have identified \$22 million in additional needs to meet the increasing demand for their services and programs. However, the Preliminary Budget baselined only \$22 million of last year's increase. In the Preliminary Budget Response, the Council urged the Administration to add \$43 million to the baselined Library systems' funding to reach the full \$65 million needed to ensure the continuity of 6-day service.
 - The three library systems together have more than \$250 million in critical capital maintenance needs. The Council urged the Mayor in the Preliminary Budget Response to add \$100 million to the capital budget of the Library Systems in Fiscal 2017 to address capital challenges, as well as establish an annual funding level that will solve the most pressing problems and move away from a "piecemeal" approach to addressing deficiencies.
- **Capital Budget.** The Executive 2017 Capital Commitment Plan includes \$845.4 million in Fiscal 2016-2020 for the Library systems; the Executive Commitment Plan for Fiscal 2016-2020 is two percent greater than the \$828.9 million scheduled in the Preliminary Commitment Plan, an increase of \$16.5 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 2017 Executive Budget. The section below presents an overview of the budget and how it has changed during the course of Fiscal 2016,

followed by a review of the significant budget actions introduced in the Fiscal 2017 Executive Budget. Major issues related to the Libraries' budget are then discussed. Analysis and highlights of the Libraries' Capital Commitment Plan for the Fiscal 2017 Executive Budget follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2016 and Fiscal 2017 Budgets since Adoption of the Fiscal 2016 Budget. For additional information on the Libraries' budget and its various programs, please refer to the Fiscal 2017 Preliminary Budget Report for the Libraries at: <http://council.nyc.gov/html/budget/2017/pre/035-039%20Libraries.pdf>

Libraries Financial Summary						
<i>Dollars in Thousands</i>	2014	2015	2016	Executive Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Other Than Personal Services	\$241,876	\$326,332	\$357,731	\$361,843	\$340,991	(\$16,741)
TOTAL	\$241,876	\$326,332	\$357,731	\$361,843	\$340,991	(\$16,741)
Research Libraries	\$18,617	\$24,266	\$26,845	\$26,504	\$25,582	(\$1,263)
NYPL	89,852	120,179	132,236	132,469	125,593	(6,643)
BPL	66,434	91,560	98,702	101,662	94,077	(4,625)
QBPL	66,973	90,327	99,949	101,208	95,739	(4,210)
TOTAL	\$241,876	\$326,332	\$357,731	\$361,843	\$340,991	(\$16,741)
Funding						
City Funds			\$357,731	\$357,161	\$340,991	(\$16,741)
Intra City			0	4,683	0	0
TOTAL	\$241,876	\$326,332	\$357,731	\$361,843	\$340,991	(\$16,741)

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.

The City's Fiscal 2017 Executive Budget totals \$82.2 billion, \$3.7 billion more than the Fiscal 2016 Adopted Budget of \$78.5 billion. For Libraries, the Fiscal 2017 Executive Budget totals \$341 million (including City and non-City funds) or less than one percent of the City's Fiscal 2017 Executive Budget. This represents a decrease of \$16.7 million over the Fiscal 2016 Adopted Budget of \$357.7 million.

Since the Fiscal 2016 Adopted Budget, several actions have impacted the Libraries' budgets for Fiscal both 2016 as well as Fiscal 2017. For Fiscal 2016, this include \$4.1 million in "other adjustments", which include actions as re-estimates, to existing items. In Fiscal 2017 these changes include \$21.9 million in new needs and a reduction of \$1 million due to other adjustments. Combined, the above actions bring Libraries' current total budget to \$361.8 million for Fiscal 2016 and \$341 million for Fiscal 2017. (See Appendix 1 for a list of all budget actions since adoption.)

Highlights of Changes between the Executive 2017 and Adopted 2016 Budgets

- An additional \$1.9 million was included in the Fiscal 2016 Budget 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 additional of \$555,000 was included in the budget of NYPL in Fiscal 2016 for the adult literacy initiative. The New York Public Library's Adult Learning Centers help adults who have difficulties reading and writing improve their communication skills.
- An additional \$175,000 was included in the budget of NYPL in Fiscal 2016 for the Early Childhood literacy initiative. This initiative is a collaboration of eight organizations already working to turn young children into accomplished readers. Through coordinated services, each organization can serve more children and families to develop literacy skills in young children.
- An additional \$1.3 million was included in the budget of BPL in Fiscal 2016 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.
- An additional \$50,000 was included in the budget of QBPL in Fiscal 2016 for an intracity contract with DCAS. QBPL conducted an energy smart competition at 13 community libraries to reduce their overall energy consumption. DCAS provided the funds to award agencies that designed and implemented the competition.
- An additional \$50,000 was included in the budget of QBPL in Fiscal 2016 for an innovative anti-poverty initiative supported by the NYC Center for Economic Opportunity (CEO) and Teen ACTION. This initiative provides young people in grades 7–10 with the opportunity to participate in meaningful organized service activities. The goal of the initiative is to promote healthy behaviors, civic engagement and a commitment to academic achievement.

New in the Executive Budget

There are no new needs and only one minor adjustment in the Executive Plan:

- A decrease of \$1.8 million in Fiscal 2016 and \$1.5 million in Fiscal 2017 for all the three library systems combined reflecting citywide trends in energy costs and usage is in the Fiscal 2017 Executive Plan. For Fiscal 2016, the decrease is due to the mild winter; for Fiscal 2017 the adjustment is due to decreases in energy costs.

Libraries Budget Issues

In the Preliminary Budget Response, the Council urged the Administration to increase baselined expense funding by \$43 million and capital funding by \$100 million for the three library systems. The Executive Plan does not include this additional funding.

Expense. During the Bloomberg Administration the three library systems were forced to reduce hours, lay-off staff, and limit their circulation to adhere to budget reductions. In Fiscal 2016, the City Council invested \$21 million and the Administration invested an additional \$22 million, for a total of approximately \$43 million, allowing the three Library systems to increase access to libraries and ensure 6-day service across the City. For Fiscal 2017, the library systems have identified an additional \$22 million in needs to meet the increasing demand for services and programs.

Restoring funding would allow libraries to hire more staff, increase operating hours, increase materials and overall serve the boroughs in a significant manner.

Capital. The three library systems together have more than \$250 million in critical maintenance needs. In the Preliminary Budget Response, the Council urged the Administration to provide adequate capital funding for libraries to help maintain and revitalize these critical institutions. The Council believes \$100 million in additional funding should have been added to the capital budget of the libraries in Fiscal 2017 to address capital challenges, as well as establish an annual funding level that will solve the most pressing problems. Sufficient funding would allow the library systems to be compliant with the Americans with Disabilities Act (ADA), increase the amount of health and life safety projects offered, update heating and cooling systems, upgrade roofs, conduct full branch renovations, restore façades, and provide technology upgrades. It should be noted that infrastructure problems also have a direct, negative impact on programming.

Libraries Capital Program

Capital Commitment Plan

The Fiscal 2017 Executive Capital Commitment Plan includes \$845.4 million in Fiscal 2016-2020 for the Libraries (including City and Non-City funds). This represents approximately 1.3 percent of the City's total \$67.1 billion Executive Plan for Fiscal 2016-2020. The Libraries' Executive Commitment Plan for Fiscal 2016-2020 is two percent greater than the \$828.9 million scheduled in the Preliminary Commitment Plan, an increase of \$16.5 million. The increase is due to minor adjustments to existing projects and do not reflect any substantive changes to the capital commitment plan for the systems.

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 2015, the Library systems committed \$43.1 million or 15.5 percent of their annual capital plan. Therefore, as illustrated in the table below, a significant portion of the Libraries' Fiscal 2016 Capital Plan will be rolled into Fiscal 2017, thus increasing the size of the Fiscal 2017-2020 Capital Plan.

Libraries 2016-2020 Capital Commitment Plan						
<i>Dollars in Thousands</i>						
	2016	2017	2018	2019	2020	Total
Executive Plan	\$407,037	\$243,071	\$70,410	\$62,431	\$62,474	\$845,423
Preliminary Plan	\$485,507	\$148,084	\$70,410	\$62,431	\$62,474	\$828,906
Change	(\$78,470)	\$94,987	\$0	\$0	\$0	\$16,517
Percentage Change	(16%)	64%	0%	0%	0%	2%

Source: OMB Fiscal 2017 Executive Capital Commitment Plan

Executive Budget Highlights

Major changes and highlights in the Libraries' Executive Capital Plan for Fiscal 2016-2020 are below.

New York Public Library. There is \$378.7 million (including City and non-city) in the Fiscal 2016-2020 Executive Capital Plan for the NYPL branches.

Highlighted projects include work on the system's Midtown Campus in Manhattan at \$155.3 million. The project scope includes the upgrade and replacement of all building systems, vertical transportation, required conveyor systems, reconfiguration of all floors to incorporate required programmatic elements, full accessibility, new finishes, flooring, lighting, wayfinding, IT/AV infrastructure and equipment, roof, building envelope and windows as needed. This project will create one of the largest adult education centers in Manhattan to directly address the needs of immigrant and low-income communities and feature a world class business library for budding entrepreneurs and small business owners through the consolidation of collections and integration of functions from the Science, Industry and Business Library. It will improve user experience through a repurposing of underutilized space for multiple uses that include circulating collections, reading, studying, programs, events, exhibits, café space and retail. The renovated space will be fully accessible.

Other big projects include the Westchester Square branch construction for \$18 million. Funding will finance construction of a new two-story branch library located on a corner site at the Westchester Square Plaza in the Bronx. The 12,000 square foot facility will include spaces for adults, teens and children with full ADA accessibility. Funding includes site acquisition and the demolition of existing buildings.

The capital budget includes \$13.3 million for site selection and new branch construction of the Charleston Branch Library in Staten Island. This new one-story structure will be approximately 10,000 square feet, and will be located just west of Bricktown Centre in an 11-acre site being developed as part of the Charleston Mixed-use Development. This branch will provide library services to Charleston and neighboring Rossville communities.

Other major projects highlighted in the Plan include the 125th Street Branch site renovation, the Fort Washington Branch renovation, the Hunts Point Branch renovation, the Port Richmond Branch and the Melrose Branch renovation at a cost of \$20 million each. The scope of work for these projects includes the renovation of the interior and exterior of the facilities in order to provide facilities that align with the programmatic goals and missions of NYPL. Funding will be used for the replacement of all building systems, building envelope, vertical transportation, restrooms, IT/AV infrastructure and the initial outfitting of the facility.

Queens Borough Public Library. There is \$255.4 million (including City and non-city) in the Fiscal 2016-2020 Executive Capital Plan for QBPL. About \$50 million of this has been budgeted in the out-years based on the Library's ten-year capital plan. These funds will be allocated to projects on an annual basis. Highlighted projects include construction work for the Far Rockaway Branch facilities replacement at \$27 million. This project is currently in the construction document phase and construction is anticipated to start in the Summer of 2017. Complete renovation of the Central Library is under construction and is proceeding as planned. Completion is anticipated in July 2017 and \$15 million has been allocated in the capital budget for this branch. The Rego Park Branch has capital funding budgeted at \$6.4 million, which includes \$6.3 million for facility replacement costs and \$78,000 for closed-circuit television (CCTV), heating, ventilation, and air conditioning (HVAC). Other projects include \$3.4 million

for various improvements at the Bay Terrace branch, \$7.4 million for the expansion and furnishing of the Baisley Park Branch, \$6.1 million for the renovation of the Richmond Hill branch and \$3 million for various improvements at the St. Albans branch.

Brooklyn Public Library. There is \$188.8 million (including City and non-city) in the Fiscal 2016-2020 Executive Capital Plan for BPL. About \$50 million of this has been dedicated to a comprehensive branch overhaul program which is currently in the planning phase. Roughly \$7 million is for improvements to branches that suffered damage due to Superstorm Sandy. The work is completed but funding is reserved for hazard mitigation. Other projects include the DeKalb Branch which has a renovation expense of \$3.8 million and roof replacement at \$22,000. Also, \$24.7 million in renovations are planned for the Central Library and this includes elevator repairs, emergency and safety systems update, heating, ventilation, air conditioning (HVAC) replacement and bathroom repairs. The Greenpoint Library has been allocated \$6 million, of which \$5 million is for branch expansion and creation of an environmental center, \$989,000 for boiler replacement, and \$37,000 for roof replacement. Other projects include \$3 million for the interior and exterior rehabilitation of the Borough Park branch, \$2 million for the various upgrades at the Arlington branch, \$2 million for the roof replacement at the Washinton Irving branch, \$1.5 million each for HVAC replacement at the March branch and the Mill Basin branch, \$5 million for the total renovation of the East Flatbush branch and \$4.8 million for the rehabilitation of the Rugby branch.

New York Research Libraries. There is \$22.6 million (including City and non-city funds) in the Fiscal 2016-2020 Executive Capital Plan for Research Libraries. The majority of the capital funding (\$13.3 million) is earmarked for renovations of the Schomburg Center for Research. The project is proceeding on schedule and is projected to be completed in late 2016 or early 2017. Structural work for the addition has been complete and the Manuscripts, Archives & Rare Book Room interior rehabilitation has started. Work continues on the Landmark facade. The Landmark interior portion is progressing per schedule and currently the building systems, including mechanical, electrical and plumbing, are being installed.

Appendix 1: Libraries Fiscal 2017 Budget Actions since Fiscal 2016 Adoption

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$26,845	\$0	\$26,845	\$24,335	\$0	\$24,335
NYPL	132,236	0	132,236	118,195	0	118,195
BPL	98,702	0	98,702	88,147	0	88,147
QBPL	99,949	0	99,949	89,466	0	89,466
Libraries Budget as of the Adopted 2016 Budget	\$357,732	\$0	\$357,732	\$320,143	\$0	\$320,143
New Needs - Prelim 2017						
NYPL Additional Baseline Funding	\$0	\$0	\$0	\$8,081	\$0	\$8,081
NYRL Additional Baseline Funding	0	0	0	1,539	0	\$1,539
QBPL Additional Baseline Funding	0	0	0	6,120	0	\$6,120
BPL Additional Baseline Funding	0	0	0	6,120	0	\$6,120
Subtotal, New Needs	\$0	\$0	\$0	\$21,860	\$0	\$21,860
Other Adjustments - Prelim. 2017						
NYPL BTOP S/Sustain Program- FY16	\$0	\$336	\$336	\$0	\$0	\$0
NYPL Member Item Reallocation	175	0	175	0	0	0
NYPL OC Reallocation #037	0	525	525	0	0	0
NYPL plaNYC Excel Program	0	29	29	0	0	0
NYPL City Council Member Item Reallocation	30	0	30	0	0	0
NYRL Member Item Reallocation	30	0	30	0	0	0
BPL BTOP Sustain Program-FY16	0	1,042	1,042	0	0	0
BPL Member Item Reallocation	195	0	195	0	0	0
BPL OC Reallocation #038	0	350	350	0	0	0
BPL plaNYC Excel Program	0	1,286	1,286	0	0	0
BPL City Council Member Item Reallocation	100	0	100	0	0	0
QBPL BTOP Sustain Program - FY16	0	537	537	0	0	0
QBPL Energy Smart Competition	0	50	50	0	0	0
QBPL Member Item Reallocation	190	0	190	0	0	0
QBPL OC Reallocation #039	0	350	350	0	0	0
QBPL OC Reallocation Quens #039	0	175	175	0	0	0
QBPL plaNYC Excel Program	0	268	268	0	0	0
QBPL Take Back Excel Funds	0	(268)	(268)	0	0	0
QBPL City Council Member Item Reallocation	50	0	50	0	0	0
QBPL OSA Collective Bargaining	133	0	133	164	0	164
QBPL OSA Collective Bargaining	298	0	298	367	0	367
Subtotal, Other Adjustments	\$1,201	\$4,680	\$5,881	\$531	\$0	\$531
TOTAL, All Changes Prelim. 2017	\$1,201	\$4,680	\$5,881	\$22,391	\$0	\$22,391
NYPL Research	\$26,875	\$0	\$26,875	\$25,874	\$0	\$25,874
NYPL	132,441	890	133,331	126,275	0	126,275
BPL	99,296	2,678	101,974	94,635	0	94,635
QBPL	100,322	1,112	101,434	95,750	0	95,750
Libraries Budget as of the Preliminary 2017 Budget	\$358,934	\$4,680	\$363,614	\$342,534	\$0	\$342,534
Other Adjustments - Exec. 2017						
NYPL Heat, Light and Power	(\$864)	\$0	(\$864)	(\$682)	\$0	(\$682)
NYPL I/C W/NYPL - Space Rental	0	3	3	0	0	0
NYPL Reseach Heat, Light and Power	(370)	0	(370)	(292)	0	(292)
QBPL Heat, Light and Power	(226)	0	(226)	(12)	0	(12)
BPL Heat, Light and Power	(312)	0	(312)	(558)	0	(558)
Subtotal, Other Adjustments	(\$1,772)	\$3	(\$1,769)	(\$1,544)	\$0	(\$1,544)
TOTAL, All Changes - Exec. 2017	(\$1,772)	\$3	(\$1,769)	(\$1,544)	\$0	(\$1,544)

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$26,504	\$0	\$26,504	\$25,582	\$0	\$25,582
NYPL	131,576	893	\$132,469	125,593	0	125,593
BPL	98,984	2,678	\$101,662	94,077	0	94,077
QBPL	100,096	1,112	\$101,208	95,739	0	95,739
Libraries Budget as of the Fiscal 2017 Exec. Plan	\$357,160	\$4,683	\$361,843	\$340,991	\$0	\$340,991

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