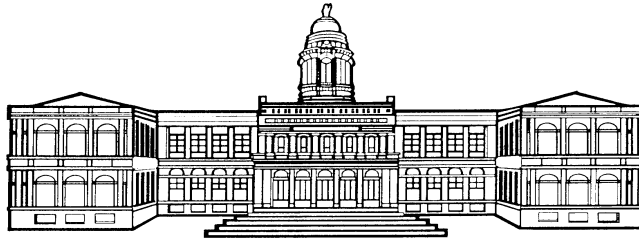


New York City Council



BUDGET NOTE

Finance Division

November 2008

Hon. Christine C. Quinn
Speaker

Hon. David I. Weprin
Chair, Committee on Finance

Preston Niblack, Director
Jeffrey Rodus, First Deputy Director

Hon. Domenic M. Recchia, Jr.
Chair, Committee on Cultural Affairs, Libraries
and International Intergroup Relations

DEPARTMENT OF CULTURAL AFFAIRS (126)

The Department of Cultural Affairs (“DCA”) provides support, advocacy, and technical assistance to the City’s cultural community to ensure that the arts remain a central feature of civic and economic life in the City. DCA funds both energy and a portion of operating support for the 34 City-owned cultural institutions of the Cultural Institutions Group (“CIG” or “Institutions”) and the agency also supports, through its Cultural Development Fund (“CDF”) program, other not-for-profit cultural organizations (“Programs”). In addition, DCA also operates the Materials for the Arts (“MFTA”) program, which distributes donated arts materials to public schools, cultural organizations and social service programs and the Percent for Art program that commissions works of art in public spaces. DCA continues to support the capital improvement of cultural facilities throughout the City.

AGENCY FUNDING OVERVIEW (in \$000s)

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	\$152,573	\$148,787	\$144,091	\$136,910
Other Categorical	\$0	\$60	\$0	\$0
Capital IFA	\$70	\$70	\$70	\$70
State	\$0	\$0	\$0	\$0
Community Development	\$258	\$746	\$258	\$258
Federal-Other	\$0	\$0	\$0	\$0
Intra-City	\$311	\$1,531	\$311	\$311
Total	\$153,212	\$151,194	\$144,730	\$137,549

<i>HEADCOUNT OVERVIEW</i>				
Headcount	Fiscal 2009 Adopted Budget	Fiscal 2009 November Plan	Fiscal 2010 Plan at Fiscal 2009 Adoption	Fiscal 2010 November Plan
City	45	45	45	45
Non-City	3	3	3	3
Total	48	48	48	48

Fiscal 2009 November Plan Action Analysis

In September, the Mayor's Budget Director ordered each agency head to submit proposed Programs to Eliminate the Gap (PEGs) equal to 2.5% in Fiscal 2009 and 5% in Fiscal 2010 and each of the outyears of the agency's City tax-levy budget. The Fiscal 2009 November Plan presents the results of this budget exercise.

Programs to Eliminate the Gap are Financial Plan actions that reduce the City's budget gap by either reducing an agency's City tax-levy Expense Budget or increasing City revenues. It should be noted that some PEGs involve increases in Expense Budget costs that lead to increased revenues. For example: An agency may increase expenses by hiring 20 inspectors, with the expectation that those inspectors will generate additional revenue, ultimately saving City tax-levy dollars.

The chart below indicates the PEG amount the agency is proposing to implement in Fiscal 2009 based upon the Fiscal 2009 Adopted Budget and the amount in Fiscal 2010 based on the 2010 forecast at the time of adoption.

<i>NOVEMBER PLAN PEGS (in \$000s)</i>				
		Fiscal 2009 Adopted Budget and Forecast	Fiscal 2009 November Plan PEGs	PEG as percentage of Adopted Budget and Forecast
	Fiscal 2009	152,573	(3,785)	-2.5%
	Fiscal 2010	144,091	(7,182)	-5.0%

NOVEMBER PLAN ACTIONS (\$000)						
	Fiscal 2009			Fiscal 2010		
Description \$(000)	City	Non-City	Total	City	Non-City	Total
Agency Budget as per the Adopted Plan	152,573	639	153,212	144,091	639	144,730
Reduction to Cultural Programs	(766)	0	(766)	(1,305)	0	(1,305)
Reduction to Cultural Institutions	(3,048)	0	(3,048)	(5,899)	0	(5,899)
Total PEGS	(3,814)	0	(3,814)	(7,204)	0	(7,204)
Other Adjustments						
Collective Bargaining	29	0	29	23	0	23
CDB Grant	0	488	488	0	0	0
Put Up APC Funds	0	60	60	0	0	0
Miscellaneous	0	1,221	1,221	0	0	0
Total Other Adjustments	29	1,769	1,798	23	0	23
Total November Plan Changes	(3,785)	1,769	(2,016)	(7,181)	0	(7,181)
Agency Budget as per the November Plan	148,788	2,408	151,196	136,910	639	137,549

Programs to Eliminate the Gap (PEGs)

- **Reduction to Cultural Programs.** In Fiscal 2009, the Administration is proposing a reduction of \$766,491, and a reduction of \$1.3 million in Fiscal 2010 for cultural programs.
- **Reduction to Cultural Institutions.** In Fiscal 2009, the Administration is proposing a reduction of \$3 million, and a reduction of \$5.8 million in Fiscal 2010 for the cultural institutions.

Other Adjustments

- **Collective Bargaining Adjustment.** A total of \$29,000 in Fiscal 2009 and \$23,000 in Fiscal 2010 is being added to the agency's baseline as a result of recent collective bargaining agreements for the agency's core staff.

Capital Budget

FY09 Executive Capital Plan vs. FY09 Adopted Capital Budget (in \$000s)

	FY09	FY10	FY11	FY12	FY13	Total
May	458,586	15,722	109,963	25,339	25,501	635,111
Sept	503,704	61,265	79,782	19,500	187,565	851,816
Variance	45,118	45,543	-30,181	-5,839	162,064	216,705

As part of the formulization of the FY09 Adopted Capital Budget agencies were required to reduce their capital plans by twenty percent in each year from FY09-12. The funds pushed-out from these four years could roll into the fifth year of the plan, FY13. As such, even with the inevitable roll of projects from FY08 which had yet to be committed, the FY09-13 plan is significantly less than the plan presented in May 2008.

The Department of Cultural Affairs FY09-13 Adopted Capital Plan is \$216.7 million greater than the Executive Capital Plan released in May. When taking into account the \$239.5 million of uncommitted projects rolled from FY08 the increase of \$216.7 million is actually a decrease of \$22.8 million over the five years of the plan.

Capital Plan Highlights

- **American Museum of Natural History - Northwest Coast Indian Hall Restoration.** \$5 million push out from FY09 to FY13.
- **New York Hall of Science - Great Hall Reconstruction.** \$11 million push out from FY09 to FY13.
- **Brooklyn Botanical Gardens - Water Garden.** \$7 million push out from FY09 to FY13.
- **Snug Harbor Cultural Center - Buildings F & H Infrastructure & Interior Upgrade.** \$6.3 million from FY09 to FY13.
- **Wave Hill – Parking Lot.** \$1 million in FY09 and \$1.2 million in FY11 pushed out to FY17.

Prepared by:

***Shadawn Smith**, Legislative Financial Analyst*

***Latonia McKinney**, Deputy Director*