

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Daniel Dromm
Chair, Finance Committee

Hon. James Van Bramer
Chair, Committee on Cultural Affairs, Libraries, International Intergroup Relations



Report to the Committee on Finance and the Committee on Cultural Affairs, Libraries,
International Intergroup Relations on the Fiscal 2020 Executive Plan, the Ten-Year Strategy
for Fiscal 2020-2029, and Fiscal 2020 Executive Capital Commitment Plan
for

Libraries

Finance Division

Aliya Ali, Principal Financial Analyst
Crielhien Francisco, Unit Head

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director

Paul Scimone, Deputy Director
Nathan Toth, Deputy Director

Libraries Executive Budget Overview

This report presents a review of the Libraries' Fiscal 2020 Executive Budget. The section below presents an overview of the budget that reviews the changes during the course of Fiscal 2019 followed by a review of the significant budget actions introduced in the Fiscal 2020 Executive Budget. Major issues related to the Libraries' budget are then discussed in the report. Analysis and highlights of Libraries' Capital Strategy and Fiscal 2019 to Fiscal 2023 Plan follows the discussion of the expense budget. Appendix 1 reports the changes made to the Fiscal 2019 and Fiscal 2020 Budgets since Adoption of the Fiscal 2019 Budget.

For additional information on the Department's budget and its various programs, please refer to the Fiscal 2020 Preliminary Budget Report at <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/03/035-039-Libraries1.pdf>

Below is a summary of key funding changes by program area and source when comparing the Libraries' Fiscal 2020 Executive Budget to their Fiscal 2019 Adopted Budget.

Libraries Financial Summary						
<i>Dollars in Thousands</i>						
	FY17	FY18	FY19	Executive Plan		Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Budget By Library System						
Research Libraries	\$27,783	\$28,075	\$28,198	\$28,408	\$28,716	\$518
NYPL	138,032	139,889	143,159	145,500	141,369	(1,790)
BPL	103,745	105,877	106,419	110,429	105,934	(485)
QBPL	105,159	108,597	109,943	114,469	111,111	\$1,167
TOTAL	\$374,719	\$382,438	\$387,719	\$398,807	\$387,130	(\$589)
Funding						
City Funds			\$387,719	\$395,272	\$387,130	(\$589)
Intra City			0	3,535	0	0
TOTAL	\$374,719	\$382,438	\$387,719	\$398,807	\$387,130	(\$589)

**The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Executive Budget.*

The Fiscal 2020 Executive Plan proposes a \$387.1 million subsidy for the library systems in Fiscal 2020, which represents a decrease of \$589,000 or less than one percent, when compared to the Fiscal 2019 Adopted Budget of \$387.7 million. In the Fiscal 2020 Executive Budget, there are new needs that total \$183,846 in Fiscal 2019 and \$1.1 million in Fiscal 2020 and other adjustments total a reduction of \$199,000 in Fiscal 2019 and \$2.7 million in Fiscal 2020. Highlighted new needs and other adjustments are described below.

New Needs

- Hunters Point and Far Rockaway.** The Fiscal 2020 Executive Plan includes \$368,696 in Fiscal 2020, \$628,499 in Fiscal 2021 and \$888,302 in Fiscal 2022 and 2023, for Hunters Point. Funding is for building maintenance costs and additional custodial and security staffing. There is no funding allocated to Far Rockaway for Fiscal 2020, but there is funding in Fiscal 2021 and 2022 to cover additional staffing (custodians/librarians) needed to support the new expanded facility which will double in size.
- One-Time Reimbursement for Building System Work.** The Fiscal 2020 Executive Plan includes \$505,135 in Fiscal 2020 for one-time building work. This funding is to offset emergency non-capital expenditures for gas line replacements at Central, Flushing and Rosedale branch, the installation of sewage ejector pumps at the Central Library and a boiler replacement at the Poppenhusen branch.

- **Universal Pre-Kindergarten (UPK) costs.** The Fiscal 2020 Executive Plan includes \$183,846 in Fiscal 2019 through 2023 to support unfunded afterschool wraparound services for Pre-K students at the Ravenswood UPK site, as well as library management supervision.

Other Adjustments

- **Energy Load Management.** The Fiscal 2020 Executive Plan includes a reduction of \$42,306 in Fiscal 2019 through 2023 for Research Library and \$11,955 for BPL for curtailing electric demand (shutting down discretionary loads) or by switching to backup generators to help citywide grid reliability when the grid is most vulnerable, usually during the hottest days of the year. During times of peak electricity demand or during an emergency, buildings participating in Demand Response programs are paid to shed electric load in order to reduce the strain on New York City's electricity grid.
- **Heat, Light and Power.** The Fiscal 2020 Executive Plan includes an adjustment in energy costs at all the branches. The reductions include:
 - A reduction of \$255,414 in Fiscal 2019 and \$245,880 in Fiscal 2020 through 2023 at Research Libraries;
 - A reduction of \$595,965 in Fiscal 2019 and \$573,719 in Fiscal 2020 through Fiscal 2023 at NYPL;
 - An increase of \$151,594 in Fiscal 2019 and a reduction of \$33,948 in Fiscal 2020 to 2023 at BPL; and
 - An increase of \$504,730 in Fiscal 2019 and \$566,851 in Fiscal 2020 through 2023 at QBPL.

Savings

- **Program to Eliminate Gap (PEG).** The Fiscal 2020 Executive Plan includes reductions in spending by each system to meet the PEG target set by the Office of Management and Budget (OMB). The reductions include:
 - A reduction of \$950,000 in Fiscal 2020 through Fiscal 2023 at NYPL through the elimination of DVDs;
 - A reduction of \$712,500 in Fiscal 2020 through 2023 at BPL through the reduction in materials spending;
 - A reduction of \$712,500 in Fiscal 2020 through 2023 at QBPL through reduction in contracts and materials spending.

Budget Response

The Fiscal 2020 Executive Budget does not include the additional \$27 million in expense funding and the additional capital funding recommended by the Council in its Preliminary Budget Response.

Enhance Expense Funding

The Council urged the Administration to add \$27 million for the three library systems in Fiscal 2020 so that they can continue to maintain, grow and offer the programs and services they have been providing. Additionally, the Council wanted the Administration to baseline the \$8 million one-time funding that the Council had allocated to the systems in the Fiscal 2019 Adopted Budget. Libraries have an essential presence in every neighborhood of New York providing

indispensable services in a safe and reliable space to the youth, seniors, immigrants, and incarcerated individuals among other New Yorkers. Early literacy, English for Speakers of Other Languages classes and video visitation for incarcerated individuals are just some of the numerous agency partnerships and countless department collaborations the systems do each year.

The libraries strengthen community engagement and, with \$27 million in additional funding the systems would have been able to increase collections, programming and staff. Along with an increase in programming and circulation, the systems have also seen a rise in cost of materials, staff, and operating expenses. Funds are needed to maintain physical spaces and cover repairs and upkeep that are not capitolly eligible.

Rightsize the Libraries Capital Strategy

New York City's three library systems, like many of the City's agencies, experienced a serious drop in out year funding in the Preliminary Ten-Year Strategy. The Council advocated for a true ten-year capital plan for the libraries. Long-term funding in the ten-year plan is essential for effective planning. Library buildings should be categorized as City infrastructure. Without that, the systems cannot plan or efficiently manage their physical plant which is almost entirely comprised of City-owned buildings. Without proper funding, the systems are not able to perform necessary preventative maintenance and ensure that projects continue to move forward when they incur a shortfall.

OMB's Ten-Year Strategy reflected \$778.3 million for the library systems. However, the \$778.3 million was existing capital funding already earmarked for other projects from previous years. OMB had asked the systems to spread out this existing capital over the ten-year period. As this type of planning offers no additional funding, the three library systems expressed need of approximately \$963 million in additional dollars in the last five years of the Ten-Year Strategy to keep up with the ever increasing costs and to maintain and renovate aging infrastructure. Only a mere \$65 million in additional dollars was added in the Executive Plan.

Capital Plan Overview

In April, Mayor Bill de Blasio released the Executive Ten-Year Capital Strategy for Fiscal Years 2020-2029 (the Ten-Year Strategy), the Capital Commitment Plan for Fiscal 2019-2023 (the Commitment Plan) and the Fiscal 2020 Executive Capital Budget (the Capital Budget).

This section will provide an overview of the Executive Ten-Year Strategy, Commitment Plan and Capital Budget for the Libraries. Each one of these documents should support and be well integrated with one another to properly execute the City's capital projects, as well as meet its infrastructure goals. We will examine to what extent this is occurring, where improvements need to be made, and the overall feasibility of Libraries' capital program.

Executive Ten-Year Capital Strategy Fiscal 2020-2029

The Ten-Year Strategy is the City's long term capital planning document which provides a framework for capital spending by agency. The Strategy is released every two years as mandated by the City Charter.

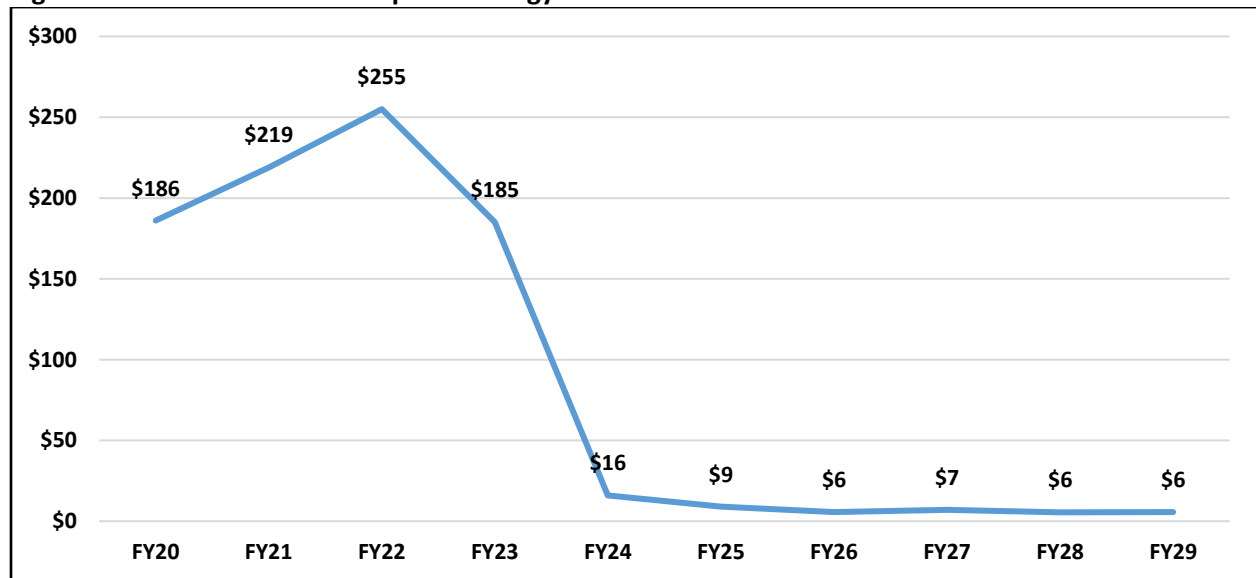
Ten-Year Capital Strategy

The City’s Ten-Year Capital Strategy for Fiscal 2020-2029 totals \$116.9 billion in all funds. Mandated by the New York City Charter, the Ten-Year Strategy provides information on the comprehensive infrastructure planning that the City undertakes explains the connection between capital investment and strategic priorities. It is designed to help prioritize investment decisions across all capital agencies and communicate to the public an integrated approach to capital planning across infrastructure types, in line with the growth of the City.

For the Libraries, the Ten-Year Capital Strategy provides \$894 million in Fiscal 2020–2029 for capital construction and reconstruction projects. This is \$115.6 million greater than the Preliminary Capital Strategy and \$289.7 million greater than what was in the Ten-Year Capital Strategy for the agency the last time it was released in Fiscal 2018 for the period Fiscal 2018-2027.

As outlined in the Council’s Fiscal 2020 Preliminary Budget Response, the Fiscal 2020-2029 Preliminary Ten-Year Capital Strategy presented by the Administration was not true to its name and many of the Ten-Year Strategy categories have a dramatic decline in planned spending, or no spending, in the second half of the plan. The Ten-Year Capital Strategy presented as part of the Fiscal 2020 Executive Budget still fails to address planning in the out years for many city agencies, including Libraries.

Figure 1: Executive Ten-Year Capital Strategy



Highlights of the Ten-Year Capital Strategy

In the Ten-Year Strategy, the libraries focused on the protection of the growing collection of library materials, reconstruction of branches, increasing accessibility for people with disabilities and upgrading the technology infrastructure to improve online and computer access.

Brooklyn Public Library (BPL)

The Ten-Year Strategy for BPL is \$278 million, which is \$31.6 million greater than the \$246.4 million in the Preliminary Capital Strategy. The additional funding in the Ten-Year Strategy includes \$25 million in new funding for Phase 2 of the Central Library Plan and \$6.1 million in roll-over funding from Fiscal 2019.

Of the \$278 million, \$93.1 million is allocated for the comprehensive renovation of branches and is distributed among five libraries (Brownsville, Canarsie, Eastern Parkway, New Lots, and New Utrecht) designated as most critical by BPL. In addition, \$26.3 million is allocated for the second phase of a comprehensive rehabilitation of the Central Library. Additional funding for other branches focuses on public service enhancements, cyclical replacements of building components (roofs, HVAC systems, and boilers), and Americans with Disabilities Act (ADA) compliance.

New York Public Library (NYPL) and Research Libraries

The Ten-Year Strategy for Research Library is approximately \$4 million, only \$59,000 more than the Preliminary Capital Strategy.

The Ten-Year Capital Strategy for NYPL is \$276.6 million which is \$36.1 million greater than the \$240.5 million in the Preliminary Capital Strategy. The additional funding in the Ten-Year Strategy includes \$18.7 million in new funding of which \$12 million is for the Westchester Square branch and \$6.71 million is to fund shortfalls to existing projects.

Of the \$276.6 million, \$74.6 million is allocated for the comprehensive renovation and outfitting of branches and is distributed among five libraries (125th Street, Fort Washington, Hunts Point, Melrose, and Port Richmond) designated as most critical by NYPL. In addition, \$29.4 million is allocated for construction of a new Westchester Square branch. Additional funding for other branches focuses on maintaining and upgrading facilities, including roof, window, and door replacements, and Americans with Disabilities Act (ADA) compliance.

Queens Borough Public Library (QBPL)

The Ten-Year Strategy for QBPL is \$335.5 million which is \$47.9 million greater than the \$287.5 million in the Preliminary Capital Strategy. The additional funding in the Ten-Year Strategy includes \$21.3 million in new funding of which \$14.3 million is funding for Jackson Heights branch and \$7 million is funding to cover shortfalls to existing projects.

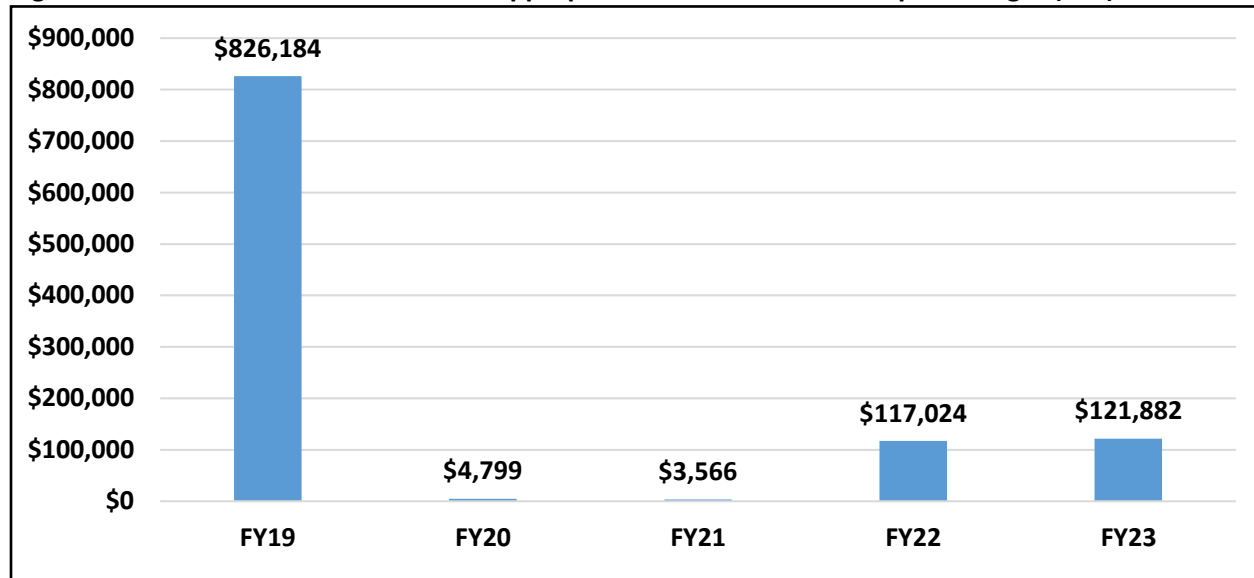
Of the \$335.5 million, \$97.1 million is allocated to QBPL for comprehensive renovations, new construction, and expansion of branches. In addition, \$28.3 million is also allocated for an expansion and renovation at Jackson Heights Library. Additional funding for other branches focuses on renovations and rehabilitations, systems upgrades, and cyclical replacements of building components (roofs, windows, and doors).

Capital Program

Fiscal 2020 Executive Capital Budget and Commitment Plan for Fiscal 2019-2023

The Capital Budget provides the requested appropriations for Fiscal 2019 and planned appropriations for Fiscal 2020 to Fiscal 2023. Appropriations represent the legal authority to spend capital dollars and are what the Council votes on at budget adoption. The Commitment Plan, which is a five-year spending plan, is the plan to spend those appropriations. The Capital Budget is significantly less than the Capital Commitment Plan because it does not include the current appropriations for Fiscal 2019 or the amount of funding that may be reappropriated or rolled into Fiscal 2020 in the Executive and/or Adopted Budget. This report will provide an overview of the Capital Budget and Commitment plan for the library systems.

Figure 2: Libraries Fiscal 2019 Available Appropriations and FY20-FY23 Capital Budget (000)



As shown in the chart at above, the Libraries’ Fiscal 2020 Executive Capital Budget includes \$247.3 million in Fiscal 2020-2023. This represents less than one percent of the City’s total \$56.6 billion Capital Budget for Fiscal 2020-2023. Available appropriations for Fiscal 2019 total \$826.2 million. This includes \$724.8 million in reauthorized prior appropriations and \$138.1 million in adopted Fiscal 2019 appropriations, less actual commitments in the current fiscal year.

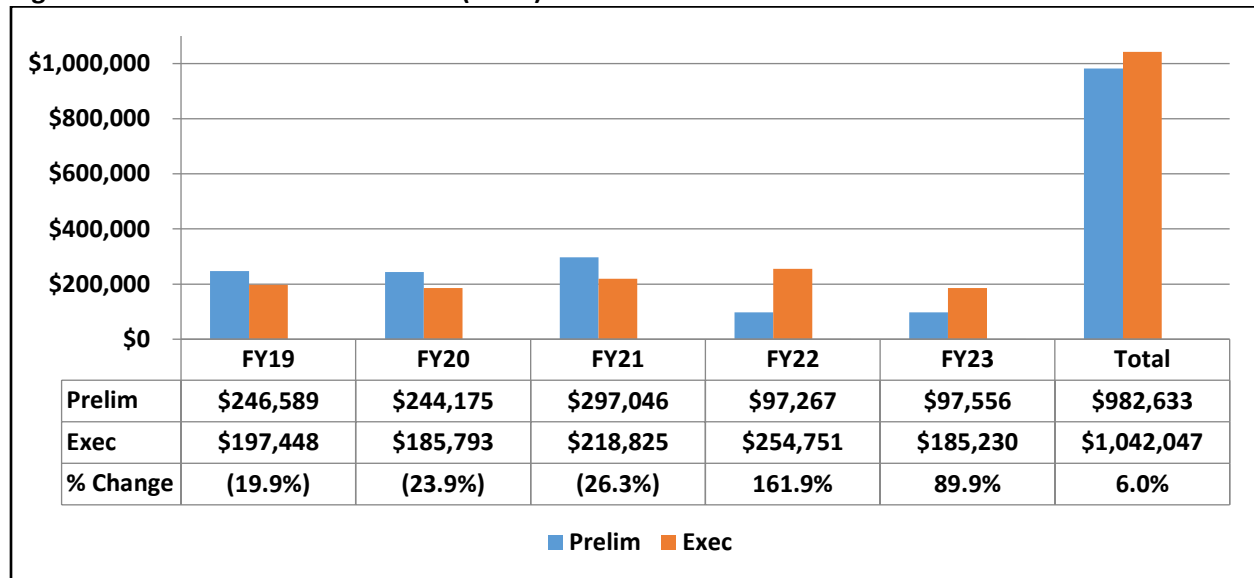
The Fiscal 2020 Executive Capital Commitment Plan, which covers Fiscal 2019-2023, includes \$1 billion for the library systems (including City and Non-City funds). This represents approximately one percent of the City’s total \$86.2 billion Preliminary Plan for Fiscal 2019-2023. Libraries’ Executive Commitment Plan for Fiscal 2019-2023 is \$59.4 million larger than the Preliminary Commitment Plan of \$982.6 million.

The total available appropriations for Fiscal 2019 are \$826.2 million against planned commitments totaling \$246.6 million. This excess balance of \$579.6 million in appropriations gives the Administration considerable flexibility within the capital plan. However, as the commitment of appropriations are legally bound to their budget line descriptions, this flexibility is more limited that it appears from this variance alone.

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. In Fiscal 2018, the Library systems committed \$235.6 million or 46.5 percent of their annual capital plan of \$506.8 million. Therefore, it is assumed that a significant portion of the Libraries’ Fiscal 2019 Capital Plan will be rolled into Fiscal 2020, thus increasing the size of the Fiscal 2020-2023 Capital Plan.

In Fiscal 2017, the Library system only committed \$18.5 million or 4.3 percent of its annual capital plan of \$433.6 million. Fiscal 2018 saw a significant improvement from the Fiscal 2017 commitment rate of 4.3 percent. This is a combination of both an increase in actual commitments, and a plan that more accurately reflects what the Libraries plan to commit. The City’s commitment rate as a whole improved greatly in 2018 with a total commitment rate of 70 percent.

Figure 3: Libraries Commitment Plan ('000s)



Conclusion

In Fiscal 2017, the Library system only committed \$18.5 million or 4.3 percent of its annual capital plan of \$433.6 million. Fiscal 2018 saw a significant improvement from the Fiscal 2017 commitment rate of 4.3 percent. This is a combination of both an increase in actual commitments, and a plan that more accurately reflects what the Libraries plan to commit. However, there is room for much more improvement in the Ten-Year Capital Strategy which is basically at five-year plan for the Libraries. The systems have pushed for inclusion in the Ten-year Plan process but have not yet been allowed to participate. A more accurate projection, along with clear, consistent and close communication with their partners at the Department of Design and Construction (DDC) will position the systems to be able to commit much larger portions of their Capital Plan than in the up coming years.

Appendix 1: Fiscal 2020 Budget Actions since Fiscal 2019 Adoption

<i>Dollars in Thousands</i>	FY19			FY20		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$28,198	\$0	\$28,198	\$28,148	\$0	\$28,148
NYPL	143,159	0	143,159	138,671	0	138,671
BPL	106,419	0	106,419	103,263	0	103,263
QBPL	109,943	0	109,943	106,252	0	106,252
Libraries Budget as of the Fiscal 2019 Adopted Budget	\$387,719	\$0	\$387,719	\$376,334	\$0	\$376,334
New Needs						
QBPL - Cooling Center Reimbursement	\$41	\$0	\$41	\$0	\$0	\$0
QBPL - Hunters Point and Far Rockaway	0	0	0	369	0	369
QBPL - Reimbursement for building system work	0	0	0	505	0	505
QBPL - UPK costs	184	0	184	184	0	184
Subtotal, Other Adjustments	\$225	\$0	\$225	\$1,058	\$0	\$1,058
Other Adjustments						
Research - DC 37 Collective Bargaining	\$508	\$0	\$508	\$856	\$0	\$856
NYPL - DC 37 Collective Bargaining	2,500	0	2,500	4,222	0	4,222
NYPLFY19 NYCCC Program-NYPL	0	333	333	0	0	0
NYPL Load Management Projects	0	10	10	0	0	0
BPL DC 37 Collective Bargaining	1,860	0	1,860	3,147	0	3,147
BPL Energy Manager	0	95	95	0	0	0
BPL FY19 NYC SAFETY- TemF funding	0	158	158	0	0	0
FY19 NYCCC -BPL	0	730	730	0	0	0
YALP REALIGNMENT BKPL	0	440	440	0	0	0
QBPL Clean Energy	0	30	30	0	0	0
QBPL DC 37 Collective Bargaining	2,142	0	2,142	3,626	0	3,626
QBPL Energy Smart Competition	0	54	54	0	0	0
FY19 NYCCC-QBPL	0	534	534	0	0	0
YALP BUDGET REALIGNMENT QPL	0	615	615	0	0	0
NYPL City Council Member Items Reallocation	45	0	45	0	0	0
BPL CC Member Items Reallocation.	50	0	50	0	0	0
BPL L300 Collective Bargaining	3	0	3	6	0	6
BPL Mgrl OJ Collective Bargaining	162	0	162	277	0	277
BPL CulturePass/LibraryPartnership	0	156	156	0	0	0
BPL Energy Analyst	0	75	75	0	0	0
BPL Energy Smart Competition	0	46	46	0	0	0
BPL ExCEL Projects Round 2	0	96	96	0	0	0
QBPL CC Member Items Reallocation.	121	0	121	0	0	0
QBPL L300 Collective Bargaining	3	0	3	6	0	6
QBPL Managerial and OJ Collective Bargaining	184	0	184	316	0	316
Queensbridge Tech Lab (TEMF)	0	114	114	0	0	0
Research - Energy Load Management	(42)	0	(42)	(42)	0	(42)
Research - Heat, Light and Power	(255)	0	(255)	(246)	0	(246)
NYPL -DCLA Library Partnership	0	50	50	0	0	0
NYPL - Heat, Light and Power	(596)	0	(596)	(574)	0	(574)
NYPL - Eliminate DVDs	0	0	0	(950)	0	(950)
BPL - Energy Load Management	(12)	0	(12)	(12)	0	(12)
BPL - Heat, Light and Power	152	0	152	(34)	0	(34)
BPL - Reduce materials spending	0	0	0	(713)	0	(713)
QBPL - Heat, Light and Power	505	0	505	567	0	567
QBPL - Contract and Materials Spending	0	0	0	(713)	0	(713)
Subtotal, Other Adjustments	\$7,329	\$3,536	\$10,865	\$9,740	\$0	\$9,740
TOTAL, All Changes	\$7,554	\$3,536	\$11,090	\$10,798	\$0	\$10,798

<i>Dollars in Thousands</i>	FY19			FY20		
	City	Non-City	Total	City	Non-City	Total
NYPL Research	\$28,408	\$0	\$28,408	\$28,716	\$0	\$28,716
NYPL	145,107	392	145,499	141,369	0	141,369
BPL	108,633	1,796	110,429	105,934	0	105,934
QBPL	113,123	1,346	114,469	111,111	0	111,111
Libraries Budget as of the Fiscal 2020 Executive Plan	\$395,271	\$3,534	\$398,807	\$387,130	\$0	\$387,130