

**FREE LIBRARY OF PHILADELPHIA
FISCAL YEAR 2018 BUDGET TESTIMONY
APRIL 26, 2017**

INTRODUCTION

Good afternoon, President Clarke and Members of City Council. I am Siobhan Reardon, President and Director of the Free Library. Joining me today is Judge Pamela Dembe, Chair of the Board of Trustees. I am pleased to provide testimony on the Free Library's Fiscal Year 2018 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The mission of the Free Library of Philadelphia (FLP) is to advance literacy, guide learning, and inspire curiosity. The FLP has nearly 60 locations citywide, including the Parkway Central Library, three regional libraries, the Library for the Blind and Physically Handicapped, 49 neighborhood libraries, the Rosenbach, three Hot Spots, and a Regional Operations Center. The FLP had more than five million in-person visits and seven million online visits in FY16.

Plans for Fiscal Year 2018:

The past year has been another productive and exciting one for the Free Library, and before sharing our FY18 plans, I'd like to take a moment to highlight a few recent accomplishments that lay the groundwork for the future. With the support of City Council and the Mayor, we have been able to offer an array of new programming that meets the changing demands of our customers in innovative ways. In addition, our Cluster model of service is now fully operational and thus, neighborhood libraries saw a 7% increase in open hours since FY14, despite the closure of five locations.

FY17 saw an abundance of work in the childhood literacy arena. As the backbone organization of Read by 4th, we manage a 90 member collaborative of public and private organizations, all of which contribute to the goal of ensuring that our city's students are reading on grade level by the time they reach the 4th grade. During 2017 the collaborative supported the establishment of book nooks throughout the City's neighborhoods, sent thousands of books home with children for their own home library, and connected families to tips and resources on developing early literacy skills in their children. In addition, the Library contributes to this effort through its flagship programs - LEAP and Summer Reading - and by encouraging literacy-rich efforts at summer camps across the city, and most recently, through our new Sunday Literacy tutoring initiative. Sunday Literacy is a brand new venture for the Library. Taking place in 11 neighborhoods, students in 1st through 3rd grades who struggle with reading are supported with one-on-one tutoring with the support of reading specialists.

Also in line with school preparedness, our end-of-summer program Back to School Jumpstart Camp, an intensive school-readiness curriculum lead by those with teaching experience, won a Top Innovator honorable mention from the Urban Libraries Council this past year.

We have two significant partnerships with the School District of Philadelphia. BLAST (Bringing Libraries and Schools Together) is a program for 4th graders centered around social studies research projects that demonstrate the wealth of resources available at the Library and strengthens relationships between teachers and librarians whose facilities are within walking distance of one another. This advances a previous model

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that introduced 1st through 3rd graders to our neighborhood libraries through story-times, book selection, and other literacy enrichment activities.

Of particular importance to our efforts to advance literacy and guide learning is our prison services program, which expanded significantly during FY17. Moving from providing, managing, and stewarding libraries in the Philadelphia Department of Prisons facilities, we now offer the *Stories Alive* program to those experiencing incarceration and their families. Stories Alive gives parents in the prisons the opportunity to share a Skype-style story-time visit with their children and families, who gather in one of three of our neighborhood libraries in North Philadelphia. This type of family connection is known to reduce recidivism and benefit children whose parents are incarcerated. While this programming was originally funded through a grant from the federal Institute of Museum and Library Services, we have now received approval to hire three part-time city positions to support and expand this vital work.

I'll delve into greater depth about our health initiative in a few moments, but I did want to mention here that we have enjoyed an interesting and innovative model of health service at our Parkway Central facility this year. In partnership with and through the generosity of the Department of Behavioral Health and disAbility Services, we've had two excellent social workers on site for three years. They help the public, including many of our homeless customers, find the social services, like food and shelter, they need, while also handling behavioral and mental health issues occurring throughout the building. This past year, through an award given to a recent graduate from the University of Pennsylvania, we've also had a nurse on site to offer direct-health referrals, resources, screenings, and programming for the public. The social workers and nurse often work in tandem to ensure that our customers are safe and have access to the health information, resources and system of referrals they need. We intend to explore this model further in the coming years, including the potential for expanding to our neighborhood libraries.

We are particularly enthusiastic about the work ahead of us in FY18. Four newly renovated neighborhood libraries will be open to the public this fall: Lillian Marrero at 6th and Lehigh, Logan in north Philadelphia, Lovett Memorial in Mt. Airy, and Tacony on Torresdale Avenue. The communities where these libraries are located will enjoy expanded footprints, additional free public computers, state-of-the-art children and teen spaces, vibrant collections, will be fully ADA compliant, and will have programming geared specifically toward each unique population. We would not have been able to make this 21st Century Libraries Initiative a reality without the support of Council, and we are very grateful for your support. We think you will be pleased with the results and look forward to showing you the new spaces once they open. We're also happy to be re-opening the Lucien E. Blackwell West Philadelphia Regional Library next month following an extensive period of closure for much-needed infrastructure improvements. We believe the results of these renovations reflect well on the Library's ability to work well with Council and the Mayor on managing major renovation projects. We are excited about the Rebuild initiative and look forward to the renovation of additional neighborhood libraries.

Through private support, during the coming year, play spaces that were designed with community input from parents and children, will be constructed in three of our neighborhood libraries: Cecil B. Moore and Wyoming in North Philadelphia, and Whitman in South Philadelphia. These dynamic spaces will help children expand their imaginations and set them on a path to a love of reading and learning through play - as current research demonstrates. Finally, I would be remiss not to mention the phase of remodeling

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currently underway at Parkway Central that, when complete, will offer the public a new, state-of-the-art Business Resource and Innovation Center (BRIC) for small-business owners and entrepreneurs, a captivating teen space, and the Common, designed to be a dynamic, flexible gathering place for the community to engage, collaborate and co-create.

While the renovations at Parkway Central are underway, we continue to expand and develop our work in support of small business enterprises and entrepreneurs. Every day, business owners, non-profit founders, and other entrepreneurs visit the BRIC at Parkway Central to participate in an array of services, such as business plan implementation workshops, free database access and trainings, and networking opportunities. This type of service is essential for these customers to grow their businesses and find operating success. While the hub of this work occurs at Central, we're exploring a satellite model that would deliver these same services to neighborhood libraries that exist in business corridors, such as Tacony, Fumo Family in South Philadelphia, and Blackwell West Philadelphia Regional.

As I mentioned earlier, a concerted effort to grow a substantive health literacy initiative has evolved over the past couple of years, and it will continue to grow in FY18. The Community Health and Literacy Center (CHLC) in South Philadelphia opened in May last year, giving the Free Library the opportunity to take a deep dive into building a library model that incorporates health into all aspects of programming and service. A typical workday at the CHLC might include a storytime with health-based themes for our younger children, a LEAP activity that gets school children moving around before they buckle down to do homework, adults seeking answers to questions about their health conditions from our nationally certified consumer health librarian, and an evening program on nutritious cooking. Expanded programming will occur throughout FY18, a sample of which includes a year-long diabetes prevention program for at-risk patients who have been identified by Jefferson's Center for Urban Health and whose health outcomes will be tracked by our co-located partner, Health Center 2; a Community Supported Agriculture farm share pick-up and program in collaboration with Greensgrow; and an activity and nutrition series for teens who will have the opportunity to compete and exercise using the Nintendo Wii.

In addition to health programming in South Philadelphia, we will seek to certify librarians in each of our nine clusters to become consumer health specialists and plan to offer community assessment-based trainings for staff to educate them about the best local resources for social service needs, like nearby food pantries, shelters, drug and alcohol programs, and other services that our customers ask about frequently. This also ensures that we reach all of the neighborhoods in the city.

Of course, one of the most effective ways we intend to make a positive impact on the health literacy of Philadelphians is through the Culinary Literacy Center (CLC) also located in our Parkway Central facility. For many, the CLC is an entry point to library service and healthier lifestyles. We have targeted programs for many populations, just a few of whom include elementary school students, teens, veterans, and new Americans. In fact, the flagship program for new Americans, *Edible Alphabet*, will expand in FY18 to be offered in four neighborhood libraries and at Parkway Central. *Edible Alphabet* incorporates hands-on cooking classes with English language skill-building. In that vein, we are also committing to broader Adult Basic Education efforts in the coming year and intend to invest substantial funds in the exploration of curriculum development for nutrition and literacy education for adult readers.

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Undergirding all of this work is the preparation of an updated strategic plan. We have been fully committed to carrying out the mission and objectives of the plan that were adopted in 2012, and in the five years since then, have made significant strides. Our overarching goals remain largely the same. We intend to revise and refine the plan based on the current cultural, economic, and social environment and what we have learned about our work in recent years. While some things have changed, we are committed, in particular, to excellent customer service, robust literacy support and partnerships geared toward school-aged children, and being a hub for cultural and civic activity and conversation.

As you can see, the Free Library has been and will continue to be enthusiastically busy as we strive to meet our mission to advance literacy, guide learning, and inspire curiosity. Thank you for the opportunity to share these accomplishments and aspirations. We remain committed to bringing excellent service to the citizens of Philadelphia, and we could not do it without the support of City Council. We look forward to working with you in the coming year. Thank you.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2016)				
	Total	Minority	White	Female
Number of Full-Time Staff	651	343	308	382
Number of Civil Service-Exempt Staff	3	0	3	1
Number of Executive Staff (deputy level and above)	3	0	3	1
Average Salary, Full-Time Staff	\$46,953	\$41,217	\$53,200	\$48,318
Average Salary, Civil Service-Exempt Staff	\$151,573	\$0	\$151,573	\$204,219
Average Salary, Executive Staff	\$151,573	\$0	\$151,573	\$204,219
Median Salary, Full-Time Staff	\$42,038	\$39,818	\$44,357	\$46,122
Median Salary, Civil Service-Exempt Staff	\$125,500	\$0	\$125,500	\$204,219
Median Salary, Executive Staff	\$125,500	\$0	\$125,500	\$204,219

Employment Levels (as of December 2016)		
	Budgeted	Filled
Number of Full-Time Positions	692	651
Number of Part-Time Positions	174	29
Number of Civil-Service Exempt Positions (4 budgeted on MDO payroll/FLP pays for all)	5	3
Number of Executive Positions (deputy level and above)	3	3
Average Salary of All Full-Time Positions	\$46,644	\$46,953
Median Salary of All Full-Time Positions	\$41,729	\$42,038

*Staff demographics and employment levels charts reflect General Fund positions only.

General Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$35,474,252	\$34,808,182	\$35,454,254	\$36,057,444	\$36,310,826	\$253,382
Class 200 - Purchase of Services	\$2,324,077	\$2,315,621	\$2,324,077	\$2,324,077	\$2,324,077	\$0
Class 300 - Materials and Supplies	\$2,239,615	\$2,137,355	\$2,241,663	\$2,110,592	\$2,203,127	\$92,535
Class 400 - Equipment	\$63,044	\$138,038	\$60,996	\$99,532	\$99,532	\$0
Class 500 - Contributions	\$0	\$365,230	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$40,100,988	\$39,764,426	\$40,080,990	\$40,591,645	\$40,937,562	\$345,917

Professional Services Contracts Summary						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2)*
Total amount of contracts	\$1,955,524	\$1,176,409	\$1,303,904	\$1,548,183	\$2,305,702	\$784,722
Total amount to M/W/DSBE	\$387,383	\$154,914	\$256,356	\$290,893	\$277,660	\$325,056
Participation Rate	20%	13%	20%	19%	12%	41%

*Spike in participation due to hiring of tutors for literacy efforts – almost all are female and/or minorities. This number is expected to decrease over the next 2 quarters but we still expect to hit our participation goal for the year.

M/W/DSBE Contract Participation Goal			
	FY16	FY17	FY18
M/W/DSBE Contract Participation Goal	20%	35%	35%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2018 General Fund budget totals \$40,937,562, an increase of \$345,917 over Fiscal Year 2017 estimated obligation levels. This increase is primarily due to a 3% contractual raise for District Council 33 employees of \$426,101, less nonrecurring bonuses of \$189,500 and restoration of a target budget cut of \$92,535 in Class 300.

The proposed budget includes:

- \$36,310,826 in Class 100, an \$253,382 increase over FY17. This funding will provide for 692 Full Time positions.
- \$2,324,077 in Class 200, an even level of funding over FY17. This funding will provide for IT related services as well as repair and maintenance of library facilities.
- \$2,203,127 in Class 300, an \$92,535 increase over FY17. This funding will be used for the purchase of library materials.
- \$99,532 in Class 400, an even level of funding over FY17. This funding will be used to purchase computer equipment and furniture.

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STAFFING LEVELS

The department is requesting 692 General Fund budgeted positions for FY18, level with FY17.

NEW HIRES

New Hires (from December 2016 to present)			
	Total Number of New Hires	French	Spanish
Black or African American	3	1	0
Hispanic or Latino	3	0	3
White	3	0	1
Total	9	1	4

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PERFORMANCE, CHALLENGES, AND INITIATIVES

FY18 Performance Measures				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target *
Virtual visits via FLP website **	N/A	N/A	N/A	5,330,000
In-person visits	5,836,401	2,521,646	5,244,465	5,300,000
Digital access ***	N/A	N/A	N/A	2,800,000
New youth library cards ****	29,266	20,246	26,385	113,000
Preschool program attendance	98,284	50,077	101,674	103,000
Children's program attendance	328,923	104,357	220,339	240,000
Teen program attendance	46,580	18,185	38,172	42,000
Adult program attendance	203,607	97,706	209,704	210,000
Senior program attendance	8,245	4,478	8,342	8,400

* Lower target for most measures due to the closure of four libraries for renovation for all of FY17 and during four months of FY18.

** FLP's IT department rightsized how the virtual statistics are counted as of FY18.

***Includes digital reach and activities, such as Wi-Fi usage, eBook circulation, electronic resource/database use, and public PC use.

****Target is expected to increase, as the FLP will be registering all School District of Philadelphia students in FY18.

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OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The Free Library receives about \$1.2M in reimbursements for IT related expenses through the federal E Rate program administered by the FCC. E Rate accounts for our ability to provide Internet service free of charge on over 1,000 public computers. It also accounts for our Wide Area Network (WAN) service which covers all of our data transport within the Library system, our cellular data service for the Techmobile, and hardware including wireless access points, switches and routers, and firewall appliances.

The Free Library frequently receives funding from the Institute of Museum and Library Services (IMLS) that is a federal agency that supports the work of libraries and museums nation-wide. Currently, IMLS funding is supporting our Paschalville Partnership to assist job seekers in southwest Philadelphia (\$500K over 3 years), our Maker Jawn program in north Philadelphia (\$500K over 3 years), and our services to prisoners program, *Stories Alive* where prisoners and their families connect through Skype sessions from two prisons and our neighborhood libraries (\$25K).

The Free Library also receives Library Services and Technology Act (LSTA) funds to support programs annually, most notably for the Library for the Blind and Physically Handicapped (\$1M). The LSTA funds are actually administered and dispensed by IMLS to State Libraries to support library activities statewide. For FY17 we are receiving over \$1.7M in LSTA funding for various programs and materials.

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CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY17											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits)	Waiver for Living Wage Compliance?
Verizon	Wide area Network	\$1,100,000	1/18/13	7/1/2013	MBE: 0%	0%	\$0	0%	\$0	yes	no
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				
Unique Management	Overdue Mailing Service	\$150,000	11/7/16	1/1/2017	MBE: 0%	0%	\$0	0%	\$0	no	no
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				
Project Home *	Restroom Attendant Service	\$130,101	6/22/16	7/1/2016	MBE: 0%	0%	\$0	0%	\$0	yes	no
					WBE: 0%	0%	\$0				
					DSBE: 0%	0%	\$0				
Personal Security Services	Cash Management	\$113,000	12/15/14	1/1/2015	MBE: 5-10%	100%	\$113,000	100%	\$113,000	no	no
					WBE: 5-10%	0%	\$0				
					DSBE: 0%	0%	\$0				
Its Jordan Leah LLC	Graphic Design	\$20,000	7/1/16	7/1/2016	MBE: 0%	0%	\$0	100%	\$20,000	yes	no
					WBE: 0%	100%	\$20,000				
					DSBE: 0%	0%	\$0				

*While a nonprofit and not eligible for M/W/DSBE consideration, Project Home has a very high WBE and MBE Participation on both their Executive team and their workforce.

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EMPLOYEE DATA

Staff Demographics (as of December 2016)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	134	166	<i>Total</i>	0	0
<i>% of Total</i>	21%	25%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$39,509	\$41,230	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$52,406	\$56,777	<i>Median Salary</i>	\$0	\$0
	White	White		White	White
<i>Total</i>	119	191	<i>Total</i>	2	1
<i>% of Total</i>	18%	29%	<i>% of Total</i>	67%	33%
<i>Average Salary</i>	\$51,310	\$54,586	<i>Average Salary</i>	\$125,250	\$204,219
<i>Median Salary</i>	\$65,058	\$81,176	<i>Median Salary</i>	\$125,250	\$204,219
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	7	10	<i>Total</i>	0	0
<i>% of Total</i>	1%	2%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$42,650	\$48,221	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$41,043	\$39,828	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	8	11	<i>Total</i>	0	0
<i>% of Total</i>	1%	2%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$54,850	\$47,533	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$36,360	\$56,777	<i>Median Salary</i>	\$0	\$0
	Other	Other		Other	Other
<i>Total</i>	3	0	<i>Total</i>	0	0
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$36,109	0	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$36,323	0	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	31	40	<i>Total</i>	0	0
<i>% of Total</i>	4%	5%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$56,043	\$60,330	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$57,651	\$65,646	<i>Median Salary</i>	\$0	\$0
	Male	Female		Male	Female
<i>Total</i>	271	380	<i>Total</i>	2	1
<i>% of Total</i>	41%	59%	<i>% of Total</i>	67%	33%
<i>Average Salary</i>	\$44,886	\$44,586	<i>Average Salary</i>	\$125,250	\$204,219
<i>Median Salary</i>	\$41,043	\$56,777	<i>Median Salary</i>	\$125,250	\$204,219

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NUMBER OF BILINGUAL EMPLOYEES

	Spanish	French	German	Arabic	Malayalam	Hindi	Gujarati	Cantonese & Mandarin	Punjabi	Russian	Tamil	Urdu	American Sign Language	Croatian	Farsi	Yiddish	Haitian Creole	Hebrew	Hungarian	Italian	Japanese	Marathi	Polish	Slovak	Portugese	Setswana	Tagalog	Ukrainian	Wolof	Vietnamese	Albanian	Khmer	Romanian
Customer Engagement (includes NLS, CPSD, YSP, Materials Management)	12	13	6	0	3	4	1	3	2	3	3	1	1	0	0	1	1	3	1	1	2	1	1	1	2	1	0	1	1	1	0	1	1
Executive	0	0	0	1	2	1	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foundation	1	0	1	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0
Property Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0
Information Technology	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0
Strategic Initiatives	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total - All Divisions	14	13	7	1	6	5	1	4	2	3	4	2	1	1	1	1	3	1	3	3	1	1	1	2	1	1	1	1	2	1	1	1	
Total - # of Bilingual Employees	71																																
Total - # of Languages Spoken	33																																