

FREE LIBRARY OF PHILADELPHIA
FISCAL YEAR 2015 BUDGET TESTIMONY
April 9, 2014

EXECUTIVE SUMMARY

DEPARTMENT MISSION AND FUNCTION

The Free Library advances literacy, guides learning, and inspires curiosity. While we have always been a haven and launching pad for the citizens of Philadelphia – from toddlers to seniors – we are now seeking new ways to meet customer interests and demands for the next 100 years. While lending materials remains important, the Free Library of today is also the largest provider of free computer and internet access; assists 1,000 people in finding jobs annually; reaches tens of thousands of children through LEAP, our afterschool literacy program; and this year trained more than 35 staff to assist the public in signing up for health insurance through the new Affordable Care Act.

In the coming year, the Free Library will continue to implement the 21st Century Libraries Initiative, a new vision that will make the Library more customer-centric and responsive to the specific needs of individual communities, while decentralizing decision-making through re-organization. The next steps are to renovate and expand four neighborhood libraries – Lillian Marrero, Logan, Lovett Memorial, and Tacony – and to open the second and third neighborhood clusters, a new way of delivering local services.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

6-day Service: Thanks to Mayor Nutter, a proposed FY15 budget increase of \$2.3 million will permit the Free Library to open an additional 39 libraries six days a week, allowing 53 locations in the system to offer this service for the first time in six years. Additional hours enable us to expand programming and services, making story times for children, homework help for teens, and computer job-search time for adults more available and convenient.

Materials: \$200,000 of the proposed FY15 increase will be slated for new materials. Since FY08, the Library's budget for materials has been slashed by 50%, gravely hampering our ability to offer the public the books, DVDs, databases, e-books, and other materials they request. In FY13, the Library loaned 9 million e-books and 6 million physical books, but queues for popular materials can last weeks and even months. The increase would help allay these wait times, and particular emphasis will be on the purchase of children's non-fiction materials.

Achievements (see following for details)

- Sustaining the Hot Spots
- Launch of 21st Century Libraries Initiative
- Implementation of first Cluster

Challenges (see following for details)

- Changing needs of customers
- Pace of hiring
- Building maintenance

**FREE LIBRARY OF PHILADELPHIA
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Financial Summary by Class

	Fiscal 2013	Fiscal 2014	Fiscal 2014	Fiscal 2015	Difference
	Actual Obligations	Original Appropriations	Estimated Obligations	Proposed Appropriations	FY14 - FY15
Class 100 - Employee Compensation	\$30,451,808	\$32,381,877	\$31,854,238	\$34,531,840	\$2,149,962
Class 200 - Purchase of Services	\$5,954,647	\$6,188,050	\$6,055,834	\$6,296,765	\$108,716
Class 300 - Materials and Supplies	\$4,163,640	\$4,839,781	\$4,838,324	\$5,096,243	\$256,463
Class 400 - Equipment	\$205,157	\$140,754	\$213,356	\$224,438	\$83,684
Class 500 - Contributions	\$41,500	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$40,816,752	\$43,550,461	\$42,961,752	\$46,149,286	\$2,598,825

Staff Demographics Summary*

	Total	Minority	White	Female
Full-Time Staff	624	50%	50%	58%
Executive Staff	9	11%	89%	67%
Average Salary - ES	\$43,219	\$37,737	\$48,547	\$43,377
Median Salary - ES	\$38,386	\$34,267	\$46,185	\$38,786

Employment Levels*

	Budgeted	Approved	Filled
Full-Time Positions	724	724	624
Part-Time Positions	175	175	44
Executive Positions	14	14	9

Contracts Summary*

	FY09	FY10	FY11	FY12	FY13	FY14*
Total amount of contracts	\$599,339	\$726,935	\$1,128,965	\$1,955,524	\$1,176,409	\$1,117,434
Total amount to M/W/DBE	\$30,272	\$31,667	\$219,444	\$387,383	\$154,914	\$164,736
Participation Rate	5.1%	4.4%	19.4%	19.8%	13.2%	14.7%

*As of December 2014

**FREE LIBRARY OF PHILADELPHIA
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

Customers visit the library to borrow materials and access computers. The Free Library reports on the following performance measures in the Quarterly City Manager’s Report and the Fiscal Year 2015-2019 Five Year Plan:

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Circulation of library materials	7,037,694	7,503,031	6,579,053	-12.3%	3,499,494	3,326,677	-4.9%	6,850,000	6,950,000
Visits	6,648,998	5,961,777	5,851,459	-1.9%	2,991,272	2,974,156	-0.6%	6,250,000	6,400,000
Virtual visits via FLP website	4,912,403	6,886,339	7,301,311	6.0%	3,625,234	3,798,705	4.8%	7,660,000	7,800,000
Hours open	110,224	97,804	95,769	-2.1%	46,340	50,853	9.7%	98,000	103,000
Computer use	1,023,577	1,358,890	1,391,347	2.4%	691,517	723,996	4.7%	1,460,000	1,500,000

Library books and other materials circulation continues to decline in FY14 and is expected to trend in that direction despite efforts to reduce this trend. The decrease in circulation in the first half of FY14 can still be attributed to the State transferring circulation of audio tapes from the Library for the Blind and Physically Handicapped to Pittsburgh. The Free Library is planning on expanding partnerships with other states in circulating Braille materials and increasing the number of renewals customers are allowed in all of the collections to meet standards set by other urban libraries. The Commonwealth of Pennsylvania mandates 12% of the total operating budget be allocated for library collections; the Free Library is presently at 7%. The Free Library of Philadelphia Board has requested a waiver from the State Librarian, and approval is pending. One of the major reasons why people visit the library is to borrow books, followed by access to computers. Both require sufficient resources to support collections and databases to meet customer demand. The Free Library “holds” by customers for books in demand average 20 per title, with some titles with “holds” up to 300.

Visits to the Library increased by 2.6% between FY12 and FY13 but are down by 4.9% for the first half of FY14. Virtual visits continue to increase each year, having grown by 6% between FY12 and FY13 and again another 4.8% in the first half of FY14 over the same period last year. With the restoration of funding used to hire Library Facility Guards and add Sunday hours, the hours open of library branches increased by 9.7% in the first half of FY14 compared to FY13 and are on target to meet the FY14 goal of 98,000. Hours should continue to increase once the Library reaches 6 day service in select branches. Finally, computer use at the Library’s 54 locations and 4 Hot Spots has increased by 2.4% between FY12 and FY13 and again by 4.7% in the first half of FY14.

DEPARTMENT CHALLENGES

- **Changing Needs:** While most customers using the Free Library check out books and DVDs, the interests and needs of our clientele are changing all the time. Staff estimates that as many as 25% of our visitors are seeking employment and using the array of tools and classes that the Free Library has available to find a job; we also note the increased diversity of our customers and the need to communicate in many different languages. Other customers visit for instruction on how to use their electronic devices, such as iPads, smart phones, e-readers, and other technology devices. The Free Library is committed to being of service; our challenge is to keep up with changing demands.
- **Pace of Hiring:** The pace of hiring has been a real challenge for the Free Library over the past year. We appreciate the Administration’s and Council’s support of the increase in funding in FY14 which now brings six-day service to 12 neighborhood libraries; new positions that make this possible have just been filled. Six-day service was available starting in mid-February.
- **Building Maintenance:** Many of the Free Library’s 52 neighborhood locations are as much as 100 years old. The need for ongoing maintenance and repairs is growing as the buildings age, and it can be difficult to keep up. The FLP is currently assessing the needs of its facilities.

STAFFING LEVELS

- Staffing Levels: As of March 9, 2014, the Free Library had 609 employees. We are authorized for 654 Employees in FY14 and additional funds in the proposed FY15 budget would bring the staffing level to 697 employees. We hired 170 employees in FY14 and the Ethnicity breakdown is as follows:
 - Black: 88 (52%)
 - White: 65 (38%)
 - Hispanic: 4 (2%)
 - Asian: 5 (3%)
 - Other: 8 (5%)
- Number of Staff by Language:

Albanian: 1	Hebrew: 6	Mandarin: 2	Tagalog: 1
American Sign Language: 1	Hindi: 6	Polish: 1	Tamil: 4
Arabic: 3	Hungarian: 1	Portuguese: 2	Ukrainian: 1
Cantonese: 1	Italian: 5	Punjabi: 2	Urdu: 2
Farsi: 2	Japanese: 3	Russian: 3	Vietnamese: 1
French: 23	Kiswahili: 1	Setswana: 1	Wolof: 1
German: 11	Latin: 5	Slovak: 1	Yiddish: 1
	Malayalam: 7	Spanish: 17	

PAST INITIATIVES

- Summer Teen Literacy Coaches: This past summer, 111 Teen Literacy Coaches worked with children in 43 neighborhood libraries, an increase in the number of libraries participating in comparison to prior years. In addition, eight college students were hired as Team Leaders to support and mentor the teens. Projects ranged from creating community dream catchers and virtual photo journals to student-produced videos about literacy in their neighborhoods. The teens were expected to blog about their experiences in participating in an active hands-on approach to literacy. Some of these blog postings were featured on the Free Library's blog.
- Hot Spots: The Free Library Hot Spots are a one-stop technology resource dedicated to promoting digital literacy in communities without easy access to neighborhood libraries. Staffed by the newly-created Digital Resource Specialists, one-on-one training on everything from computer basics to online job applications to registering for the Affordable Care Act is available four hours a day. In the period between March 2013 and February 2014, the four Hot Spots have seen over 15,500 uses.
- eGadget Help Desk: The e-Gadget Help Desk at Parkway Central was introduced to assist Free Library patrons with the transition from traditional books to electronic resources and e-books. The Desk also offers one-on-one training and troubleshooting for everything tech. The eGadget Helpdesk assists nearly 40 customers every month and the average session lasts over 35 minutes.
- Fine-free Cards for Children: Beginning in July 2013, the Free Library ceased imposing fines on children's materials checked out on children's cards. Our goal was to remove deterrents to children using the Library, which often were a result of activities or behavior beyond their control. We also suspected that this would have no appreciable effect on our bottom line, as fines that are not paid within a reasonable period of time are generally permanently uncollectable.
- School Libraries: In recognition of the challenges that the School District was facing, particularly in providing library services to students, the Free Library jumped in and assisted six schools that requested support. Tasks ranged from relocating materials from closed schools, refreshing spaces, and sorting and shelving. Work was done at John Bartram, Benjamin Franklin, and Sayre High Schools; Blaine and Duckrey, serving grades K through 8; and Tilden Middle School.

CURRENT INITIATIVES

- **New Organizational Structure:** With the completion of the strategic plan, the Free Library began an internal reorganization that will allow us to deliver on the plan's objectives. With the cooperation and assistance of the city's HR Department, we have begun to make some significant changes that allow us to be a more nimble, customer-focused organization. New Digital Resources Specialists will be hired to staff our tech labs, offering expert assistance on computer use, internet navigation, and other tech support. Three new exempt positions were approved this year, which will help attract new talent to the Library, particularly in the IT area.
- **21st Century Libraries Initiative:** The buildings that house the city's 52 neighborhood libraries are as much as 100 years old. No significant renovations have been done since their construction. Some interior and cosmetic work was completed 20 years ago – before Google, iPads, and smart phones, all now in heavy use at libraries. The 21st Century Initiative will bring our buildings up to modern standards, provide customers with the best possible service, and ensure that we are ready for the next 100 years. Each facility will be expanded and have greatly improved children's spaces and newly designated teen areas, as well as handicapped-accessible configurations. A mix of private and communal spaces will be incorporated, allowing customers to take full advantage of the Free Library's informational, educational, and job search resources.
- **Clusters:** We are also re-organizing the structure of our neighborhood library system. Instead of four large geographical regions, we are in the process of creating eight smaller clusters that increase responsiveness to community needs, decentralize decision-making, and expedite service by sharing staff and resources. We also believe that this change will contribute to keeping our branches open during promised hours. Rather than centralizing decision-making and expecting staff to travel from all points of the city to cover vacancies, we expect that each cluster can work internally to ensure that each branch is open. The creation of Community Councils, convened by the FLP in each Cluster, will bring together the local libraries as well as community and faith-based organizations to collectively understand each other's work as well as support the overall success of each community relative to education, recreation and economic sustainability.
- **Affordable Care Act:** Thirty-five staff have been trained and certified to assist the public in applying for health insurance via the federal marketplace. The Free Library has been designated by the Centers for Medicare and Medicaid, a division of DHHS to offer this service. One-on-one assistance is being offered at 12 neighborhood libraries and Parkway Central through the end of the enrollment period. Several hundred customers have been helped, and partnerships have been formed with Enroll America and Resources for Human Development, a navigator organization.
- **Library Cards for School District Students:** We are in the process of issuing library cards to 98,000 public school students in grades K-12, enabling thousands of students access to our materials, online homework help, and other resources. We are encouraging the use of the multitude of resources on freelibrary.org in the classroom, as well as after school. In coming years, we will work to issue cards to students in charter and parochial schools.
- **South Philadelphia Library:**
In partnership with the departments of Public Health and Parks and Recreation and the Children's Hospital of Pennsylvania (CHOP), a new community health clinic, CHOP care center, recreation center and library will be built at Broad and Morris Streets. The new campus is expected to be complete by November 2015, and the Library expects to occupy its new space in early 2016. Once open, opportunities for collaborative efforts with CHOP and the city will be many; a chief aspect of services offered in the branch will be public health information.
- **South Bank:** In order to devote more space at Parkway Central to programming and public uses of the space, we have leased approximately 33,000 square feet of storage at the South Bank warehouse on Gray's Ferry Avenue. This will allow us to move 800,000 less requested volumes off site and rebuild formerly hidden stacks into a new "Common," a flexible public gathering space. South Bank will also have sufficient space for the trades that maintain the Free Library's 54 locations, among other functions.

NEW INITIATIVES

- **Job Seekers:** In response to Philadelphia's high unemployment rate, and the Free Library's commitment to help those seeking jobs, particularly those with low skills seeking entry level positions, we are launching two pilots. One will develop a comprehensive plan for services, ranging from skills training to job placement. This pilot will focus on the Paschalville area. The other program will narrow the range of services on a specific population, and offer a series

on resumes, cover letters, internet searches, interviewing skills, and on-line applications. Three locations will be assessed for impact and efficiency, and possible broader application.

- **Early Childhood Initiatives:** An essential component of the Free Library’s strategic plan is to excel in our role as the “go-to” place for early childhood practices and partnerships. The Library will be convening leaders and practitioners in the area of early childhood development as well as family learning to guide and enhance our work in supporting the development of the child (and his/her family) to be able to start school ready to learn.
- **Health Partnerships:** In the coming year, we anticipate the implementation of several health partnerships with major healthcare institutions. The University of Pennsylvania School of Nursing students will offer programming in several of our west Philadelphia neighborhood libraries, offering services to adults and children with potential additional services for homeless men and seniors. Expert doctors and health professionals from Pennsylvania Hospital will offer monthly workshops in center city. AmeriHealth will host information sessions for their members, largely low-income families, in several libraries across the city. We also anticipate offering training to additional staff to serve the public in signing up for health insurance during the 2015 Affordable Care Act enrollment period.
- **Launching Additional Clusters:** As the first cluster in North Philadelphia develops and grows, we are able to apply successful ventures and lessons learned to the subsequent clusters. The next clusters will be established in the lower northeast and upper northeast areas of the city.
- **Completion of the 3rd and 4th floor renovations at Parkway Central:** The newly renovated spaces at Central will broaden the Library’s ability to reach new and larger audiences. The expanded exhibition hall on the 3rd floor will showcase our rare materials and grow the opportunity for partnerships and scholarship. The 4th floor’s state-of-the-art technology, meeting spaces, and teaching kitchen will provide a venue for additional programming of all kinds, including the potential of simulcasting events to neighborhood libraries and culinary literacy classes.
- **Strategies and Performance Department:** Meeting strategic plan objectives and moving the Library forward into the 21st century is of top priority and this new department will guide the process by acting as a think tank and source of support for innovation. It will also shift the Library toward being a data-driven organization whose goals are fortified by careful, staged planning of programming with measurable outcomes.

OTHER BUDGETARY IMPACTS

FEDERAL AND STATE (WHERE APPLICABLE)

State Funding: Governor Corbett has recommended an essentially flat budget for public libraries in FY15. As these funds are used for materials, the lack of an increase will continue to impair our ability to replenish the books, DVDs, databases, and other items that the public relies on.

CONTRACTING EXPERIENCE

M/W/DBE Participation on Large Contracts

FY14 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
SIRSI CORP d/b/a SIRSI DYNIX	Symphony Software Annual Support	\$166,219	n/a	8/1/13	MBE: WBE: DSBE:	% % %	#VALUE! #VALUE! #VALUE!	0% #VALUE!	y/n y/n y/n
Verizon	Wide Area Network	\$1,037,916	n/a	7/1/13	MBE: WBE: DSBE:	% % %	#VALUE! #VALUE! #VALUE!	0% #VALUE!	y/n y/n y/n
PeopleShare	Professional Development and Data Management Services	\$300,000	n/a	7/1/13	MBE: WBE: DSBE:	% % %	#VALUE! #VALUE! #VALUE!	0% #VALUE!	y/n y/n y/n
Osiris Group	Reframing Adult Literacy Marketing and Communications Services	\$75,000	n/a	7/1/13	MBE: WBE: DSBE:	% % %	#VALUE! #VALUE! #VALUE!	0% #VALUE!	y/n y/n y/n
3M COMPANY	Maintenance of Checkpoint System	\$36,675	n/a	7/1/13	MBE: WBE: DSBE:	% % %	#VALUE! #VALUE! #VALUE!	0% #VALUE!	y/n y/n y/n

EMPLOYEE DATA

Staff Demographics
 Full-Time Staff Executive Staff

	Male	Female	Male	Female
Total	259	365	3	6
% of Total	42%	58%	33%	67%
	African-American	African-American	African-American	African-American
Total	119	153	0	1
% of Total	19%	25%	0%	11%
	White	White	White	White
Total	121	192	3	5
% of Total	19%	31%	33%	56%
	Hispanic	Hispanic	Hispanic	Hispanic
Total	8	8	0	0
% of Total	1%	1%	0%	0%
	Asian	Asian	Asian	Asian
Total	8	9	0	0
% of Total	1%	1%	0%	0%
	Other	Other	Other	Other
Total	3	3	0	0
% of Total	0%	0%	0%	0%
	Bi-lingual	Bi-lingual	Bi-lingual	Bi-lingual
Total	0	0	0	0
% of Total	0%	0%	0%	0%