

**FREE LIBRARY OF PHILADELPHIA
FISCAL YEAR 2019 BUDGET TESTIMONY
APRIL 11, 2018**

INTRODUCTION

Good Morning 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 2019 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: Free Library of Philadelphia (FLP) advances literacy, guides learning, and inspires curiosity.

Plans for Fiscal Year 2019:

FY19 promises to be an exciting and productive year for the Free Library as we embark on a refreshed strategic plan focused on building a culture of literacy in Philadelphia, delivering an exceptional customer experience, and embracing creativity and innovation. These three pillars, or goals, will be achieved via a detailed work plan driven by metrics and evaluation, a first for the Library. In recent years, we've moved toward being a more data-driven organization, but this refreshed plan gives us the opportunity to make strategic decisions based on outcomes and to better measure our success. Additionally, achieving our mission and vision is only possible if we make a concerted effort to move beyond the four walls of our buildings and grow sustained outreach efforts in our communities.

Of paramount importance is the Library's contribution to improving the literacy rate and access to literacy services for all Philadelphians. In the coming year, we will begin an evaluation of our Out of School Time (OST) offerings to ensure that they are both effective and best serving the needs of our children. This work cannot be accomplished without the rich, thriving partnerships established through the Read by 4th campaign and via our expert librarians and other library staff across the city who are deeply committed to children's literacy and who work with children each day in LEAP and Summer Reading. Services for adults are also included in our drive to build a culture of literacy in Philadelphia. We traditionally think of literacy as the ability to read and write, but providing pathways to jobs, excellent programming, and healthier lives requires computer literacy, civic literacy, financial literacy and nutrition literacy, to name a few. In the coming year, the Library will expand its capacity to develop, support, and grow these important literacies for adults.

As I mentioned, we cannot achieve our mission unless we move toward being a more outward facing organization that provides excellent customer service based on the unique needs of communities in each of our nine geographically grouped clusters. Keeping this in mind, we aim to implement comprehensive training and professional development for every staff member with a keen eye toward diversity and inclusion. A key piece of this effort is the launch of a grant program that will train 300 staff members on community outreach and engagement and leadership. We're also thrilled to welcome our customers into newly renovated, accessible spaces with state-of-the-art technology which would not have been possible without the support of members of this Council. The renovated libraries, Lillian Marrero, Logan, Lovett memorial, and Tacony are thriving, and we're proud to have recently drawn additional support at the state level for the next round of upgrades to Overbrook Park and Paschalville. In addition, we look forward to

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being key players in the Rebuild Initiative and launching projects that will bring much-needed improvements to our often 100-year-old buildings.

Finally, we can't deliver excellent customer experiences without partnerships and programming that engage the public. This past year saw the launch of the Center for Public life, a conceptual unit which will focus on providing the most enriching cultural and civic programs in every corner of the city. Our dynamic author events series will expand its reach to the neighborhood libraries and to the Philadelphia Department of Prisons. We'll cull stories from both longtime and brand new Philadelphians and share them widely in the name of inclusion. And we'll capitalize on the efforts of the city's new Poet Laureate by building writer and artist-in-residence programs to interact with our world class collections.

A particular passion of mine over my nearly ten-year tenure with the Free Library is identifying ever-new ways to push our institution forward with creative and innovative thinking, and this will continue to be a key part of our work in the coming year. We've found that encouraging our staff to experiment and explore leads to breakthroughs in service delivery that never would happen if we did all of our thinking around a board room table. In order to capitalize on this, our refreshed strategic plan will embolden staff at all levels of the organization to devise collaborations, creative solutions, and improved means of communications that lead to new opportunities. We'll establish a Futures team that marks national and international trends that could affect library work; each cluster will have the opportunity to learn design thinking and brainstorming techniques that will foster new, bold ways of delivering great library service; and our Hatching Innovation pool will nurture great ideas like the instrument lending library and Philly Bop dance classes for seniors that came about through this effort in recent years.

As you can see, we are enthusiastic about moving forward with this refreshed version of our strategic plan and are still deeply committed to the mission of advancing literacy, guiding learning, and inspiring curiosity for all citizens of Philadelphia. Thank you for the opportunity to share these aspirations. We would not be able to accomplish them without the support and efforts of City Council, and we look forward to working with you in the coming year as effectively as we have in years past.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2017)				
	Total	Minority	White	Female
Number of Full-Time Staff	663	353	309	385
Number of Exempt Staff	5	1	4	2
Number of Executive Staff (deputy level and above)	5	1	4	2
Average Salary, Full-Time Staff	\$48,732	\$43,713	\$54,465	\$50,172
Average Salary, Exempt Staff	\$137,944	\$110,000	\$144,930	\$157,110
Average Salary, Executive Staff	\$137,944	\$110,000	\$144,930	\$157,110
Median Salary, Full-Time Staff	\$43,056	\$39,400	\$56,777	\$43,499
Median Salary, Exempt Staff	\$125,000	\$110,000	\$125,250	\$157,110
Median Salary, Executive Staff	\$125,000	\$110,000	\$125,250	\$157,110

Employment Levels (as of December 2017)		
	Budgeted	Filled
Number of Full-Time Positions	692	663
Number of Part-Time Positions	174	90
Number of Exempt Positions	5	5
Number of Executive Positions (deputy level and above)	5	5
Average Salary of All Full-Time Positions	\$48,670	\$48,732
Median Salary of All Full-Time Positions	\$42,780	\$43,056

General Fund Financial Summary by Class						
	FY17 Original Appropriations	FY17 Actual Obligations	FY18 Original Appropriations	FY18 Estimated Obligations	FY19 Proposed Appropriations	Difference: FY19-FY18
Class 100 - Employee Compensation	\$35,454,254	\$35,905,717	\$36,310,826	\$36,145,294	\$36,659,781	\$514,487
Class 200 - Purchase of Services	\$2,324,077	\$2,323,662	\$2,324,077	\$2,154,077	\$2,324,077	\$170,000
Class 300/400 - Materials, Supplies & Equipment	\$2,302,659	\$2,200,968	\$2,302,659	\$2,302,659	\$2,302,659	\$0
Class 500 - Contributions	\$0	\$40,560	\$0	\$0	\$0	\$0
	\$40,080,990	\$40,470,907	\$40,937,562	\$40,602,030	\$41,286,517	\$684,487

Contracts Summary (Professional Services only)						
	FY13	FY14	FY15	FY16	FY17	FY18 YTD (Q1 & Q2)
Total amount of contracts	\$1,176,409	\$1,303,904	\$1,548,183	\$2,305,702	\$1,038,954	\$1,450,048
Total amount to M/W/DSBE	\$154,914	\$256,356	\$290,893	\$277,660	\$452,138	\$450,762
Participation Rate	13%	20%	19%	12%	44%	31%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY17	FY18	FY19
M/W/DSBE Contract Participation Goal	35%	35%	35%

PROPOSED BUDGET OVERVIEW

The proposed Fiscal Year 2019 General Fund budget totals \$41,286,517, an increase of \$684,487 over Fiscal Year 2018 estimated obligation levels. This increase is primarily due to District Council 33 pay increases and restored funding of the Read by 4th program.

The proposed budget includes:

- \$36,659,781 in Class 100, a \$514,487 increase over FY18. This funding includes District Council 33 union pay increases.
- \$2,324,077 in Class 200, a \$170,000 increase over FY18. This funding restores the Read by 4th program for tutors.
- \$2,302,659 in Class 300/400, no change from FY18.

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STAFFING LEVELS

The department is requesting 692 General Fund budgeted positions for FY19, level with FY18.

NEW HIRES

New Hires (from 7/1/2017 to December 2017)				
	Total Number of New Hires	Laotian	Russian	Ukrainian
Black or African American	5	-	-	-
Asian	1	1	-	-
White	6	-	1	1
Other	1	-	-	-
Total	13	1	1	1

Since December, FLP has hired three additional individuals: two who identify as Black or African American, and one who identifies as White.

PERFORMANCE, CHALLENGES, AND INITIATIVES

Administration:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Continue to develop a fully trained workforce. Create a workforce that mirrors the diverse population of Philadelphia. Publish diversity data on the FLP by race, national origin, veteran status, and those with disabilities. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Social Media usage: Facebook, Twitter, Instagram, and YouTube ¹	56,353	60,118	69,100	83,375
Departmental M/W/DSBE participation rate ²	41%	N/A	35%	35%

¹ This measure includes posts, numbers of followers, and hits. FLP seeks a percentage increase every quarter.

² This is an annual measure, and it is tabulated at year-end. Contracts are conformed throughout the year, and the rate may vary across quarters, depending on the value of contracts conformed to date.

Customer Engagement:

FY19 Strategic Goals				
<ul style="list-style-type: none"> Maintain an overall open rate for all public service facilities of at least 90 percent. Increase program attendance system-wide by 5 percent. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
In-person visits ¹	5,128,715	2,474,078	5,300,000	5,400,000
New youth library cards ²	26,921	52,246	113,000	26,000
Hours of service ³	100,426	50,766	105,000	106,800
Program attendance ⁴	684,887	293,650	681,000	692,500
Circulation counts (collection use statistics) ⁵	6,734,256	3,206,004	6,800,000	6,900,000

¹ The number of in-person visits is down FY18 following library closures in the first half of FY18.

² This measure tracks the number of children and teens who have never been Free Library cardholders. The number of new cards is expected to increase in FY18, as the Library will be registering all School District of Philadelphia students during the school year in FY18. The target is subsequently lower in FY19, as most District students will have been reached in the preceding year.

³ This measure tracks hours of operation.

⁴ Program attendance reflects the day-to-day activities of library staff to engage community residents in life-long learning. This is a roll-up of preschool, children, teen, adult, and senior program attendance.

⁵ This measure includes hard copy and e-book circulation; the number of holds that people place on titles, both in print and electronic format; and electronic database usage.

Information Technology and Digital Strategies:

FY19 Strategic Goals				
<ul style="list-style-type: none"> • Improve connectivity speeds for Parkway Central and all regional libraries. • Virtualize 100% of physical servers that support digital initiatives. • Implement a site-wide (<i>freelibrary.org</i>) Content Management System (CMS) to support digital web production activities and a formalized editorial process. • Improve IT deliverable capacity by 20% by advancing in-house project management capabilities. • Virtualize 100% of physical servers that support digital initiatives. • Improve IT project delivery rates by adopting project management system. • Introduce data visualization capabilities. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Virtual visits via FLP website	5,029,713	3,094,873	5,330,000	5,440,000
Digital access ¹	3,341,726	1,756,169	2,800,000	2,950,000
Number of branches upgraded to higher/faster bandwidth during the reporting period ²	N/A	42	49	4

¹ This measure includes digital reach and activities, including Wi-Fi usage, eBook circulation, electronic resource/database use, and public PC use. This measure counts every login.

² This measure uses increasing connectivity as a measure of bandwidth. FLP has usage measures that it uses. Upgrades are happening on an ongoing basis; upgrades are done whenever use is no longer sustained by bandwidth. This is supported by the e-rate reimbursement program and measured on an ongoing basis. For FY19, only four facilities remain to be upgraded: Parkway Central and three regional libraries.

Property Management:

FY19 Strategic Goals				
<ul style="list-style-type: none"> • Implement Phases One through Four of Controls Project (energy savings). • Implement new security systems in 20 branches. 				
FY19 Performance Measures				
Measure	FY17 Actual	FY18 YTD (Q1 + Q2)	FY18 Target	FY19 Target
Energy use (kWh) ¹	8,807,633	4,544,655	8,807,633	7,222,259
Building service requests (totals) ²	2,654	2,014	2,654	3,400
Median turnaround time (to completion) for building service requests	7.1	5.8	5.0	5.0
Number of events supported by property management ³	2,612	2,015	2,800	3,200

¹ The five 21st century libraries coming online all have energy-efficient features in them (motion-sensor lights, energy efficient HVACs, LED lighting). Energy use (kWh) represents 12 library sites that are part of the project. The Library projects usage savings of 18%.

² This is internal maintenance.

³ This includes custodial work and security support for events (mainly at Parkway Central), such as weddings and the use of the kitchen. Reimbursements for this purpose go from the Foundation to the General Fund. There is seasonality to this measure: Q3 is expected to be slower than both Q1 and Q2, as fewer events take place on the fourth-floor terrace in the winter.

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OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The Free Library receives about \$1M 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), which 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 (\$543K over 3 years), and the Laura Bush 21st Century Librarian Program to develop a curriculum for skills for community-centered librarianship (\$480K over 3 years).

The Commonwealth of Pennsylvania provides additional funding for collections, furniture and equipment, and operating expenditures. For FY18, this amounts to \$5.6M, or the same as we received in FY17. 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, this amounted to \$1.7M, and for FY18 we have currently received \$1M in funding for the Library for the Blind and Physically Handicapped.

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CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY18											
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) [yes / no]	Waiver for Living Wage Compliance? [yes / no]
Verizon	WAN	\$860,938	2/17/2017	7/1/2017	MBE: 0	0%	\$0	0%	\$0	yes	no
					WBE: 0	0%	\$0				
					DSBE: 0	0%	\$0				
Personal Security Services	Cash Management	\$138,750	11/25/2014	1/1/2015	MBE: 0	100%	\$138,750	100%	\$138,750	yes	no
					WBE: 0	0%	\$0				
					DSBE: 0	0%	\$0				
Project HOME	Restroom attendant Services	\$132,349	6/6/2016	7/1/2016	MBE: 0	0%	\$0	0%	\$0	yes	no
					WBE: 0	0%	\$0				
					DSBE: 0	0%	\$0				
Unique Management	Overdue mailing Services	\$60,000	10/11/2016	1/1/2017	MBE: 0	0%	\$0	0%	\$0	no	no
					WBE: 0	0%	\$0				
					DSBE: 0	0%	\$0				
It's Jordan Leah LLC	Graphic Design Services	\$24,000	7/1/2017	7/1/2017	MBE: 0	0%	\$0	100%	\$24,000	yes	no
					WBE: 0	100%	\$24,000				
					DSBE: 0	0%	\$0				

EMPLOYEE DATA

Staff Demographics (as of December 2017)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	136	170	<i>Total</i>	0	1
<i>% of Total</i>	21%	26%	<i>% of Total</i>	0%	20%
<i>Average Salary</i>	\$41,640	\$44,083	<i>Average Salary</i>	N/A	\$110,000
<i>Median Salary</i>	\$39,400	\$38,546	<i>Median Salary</i>	N/A	\$110,000
	White	White		White	White
<i>Total</i>	118	192	<i>Total</i>	3	1
<i>% of Total</i>	18%	29%	<i>% of Total</i>	60%	20%
<i>Average Salary</i>	\$52,583	\$55,628	<i>Average Salary</i>	\$125,167	\$204,219
<i>Median Salary</i>	\$50,466	\$57,402	<i>Median Salary</i>	\$125,000	\$204,219
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	10	11	<i>Total</i>	0	0
<i>% of Total</i>	2%	2%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$43,465	\$49,104	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$35,905	\$36,180	<i>Median Salary</i>	N/A	N/A
	Asian	Asian		Asian	Asian
<i>Total</i>	10	12	<i>Total</i>	0	0
<i>% of Total</i>	2%	2%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$54,743	\$50,562	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$45,747	\$43,254	<i>Median Salary</i>	N/A	N/A
	Other	Other		Other	Other
<i>Total</i>	3	0	<i>Total</i>	0	1
<i>% of Total</i>	0%	0%	<i>% of Total</i>	0%	20%
<i>Average Salary</i>	\$40,618	N/A	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$39,716	N/A	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	31	40	<i>Total</i>	0	0
<i>% of Total</i>	5%	6%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$56,043	\$60,330	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$57,651	\$65,646	<i>Median Salary</i>	N/A	N/A
	Male	Female		Male	Female
<i>Total</i>	277	385	<i>Total</i>	3	2
<i>% of Total</i>	42%	58%	<i>% of Total</i>	60%	40%
<i>Average Salary</i>	\$46,610	\$50,172	<i>Average Salary</i>	\$125,167	\$157,110
<i>Median Salary</i>	\$42,247	\$43,499	<i>Median Salary</i>	\$125,000	\$157,110

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LANGUAGE ACCESS

1. Has your leadership received language access training?

Siobhan Reardon, President and Director of the Free Library of Philadelphia, received training in FY17.

2. Do you currently have a language access coordinator?

Yes, Joseph Benford, Deputy Director of Customer Engagement.

3. Has your department written a language access plan and is it posted online?

Yes, and it is posted at: <https://beta.phila.gov/media/20161223115619/Scanned-and-Redacted-Free-Library-LA-Plan.pdf>

4. Explain what your department has done to improve language access services over the past year.

Several vital documents have been translated and posted online. All front-line public service staff has been scheduled for training (approximately 72 staff persons have already received training). All staff persons know how to access interpretation services. FLP's Diversity and Inclusion statement has been translated and posted online in several languages (Arabic, Chinese, French, Russian, Spanish, and Vietnamese).