

A Community Conversation - Part One of Three

DISCUSSION GUIDE

April/May 2010

Planning Our Future

Carnegie Library of Pittsburgh is dedicated to engaging our community in literacy and learning. But we face a big challenge – as demand for library services continues to grow our operating revenues continue to decline.

We've been making a number of changes over the years to try to keep the Library financially stable (including reductions in library hours, reductions in full and part-time staff and freezing or minimizing wage increases), but it's not practical to continue with short-term fixes without also looking for stable long-term solutions. Between 2000 and 2007 the real operating revenues dropped 20%, and there continues to be uncertainty in the availability of our funding. We need a plan that ensures the long-term financial and operational health of the system as a whole, and we need your feedback as we develop that plan.

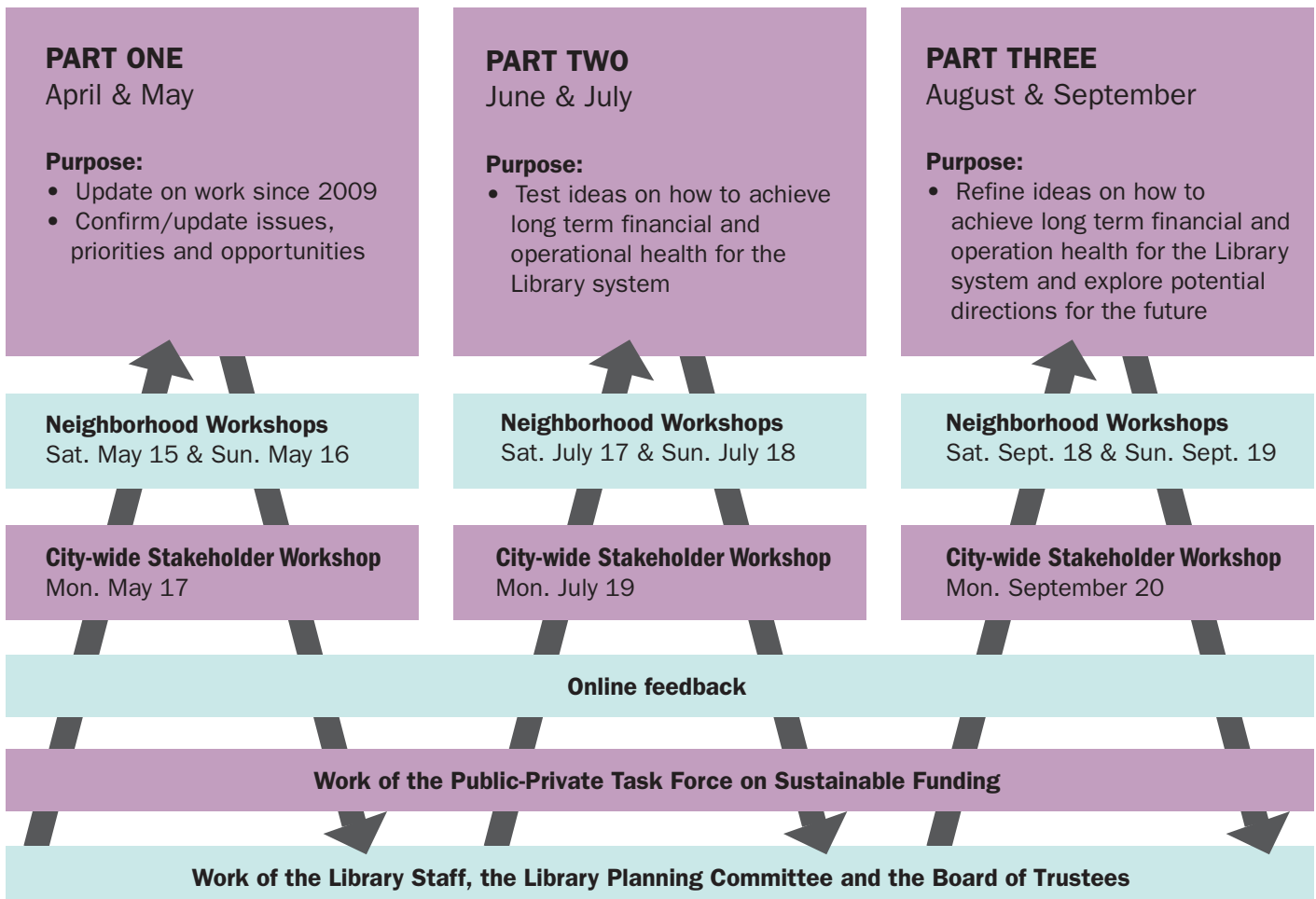
Did you know?

Between 2000 and 2009 total circulation and total visits increased by more than 25%! Yet, the Library's revenues do not increase just because use does. 90% of the Library's funding comes from public dollars, and revenues are not keeping pace with expenses.

A Community Conversation

A Three Part Process Starting in Spring 2010

This Discussion Guide kicks off the first part of a three part process designed to engage the public, the Library staff, Library Board of Trustees and several other key stakeholders in an open and transparent discussion about the Library's future. Each part of the conversation is designed to help provide the Library staff and Board of Trustees with feedback from the community on how to move forward. The graphic below provides an overview of the process, and shows the close connections between the different activities.



Frequently Asked Questions

QUESTIONS ABOUT THE PROCESS TO DATE

- **What happened last year when the Library almost closed four branches?**

The Library Board of Trustees reviewed a number of different options for further reducing operating expenses, including reducing the number of staff and staff hours, freezing or minimizing wage increases, and reducing library hours. The delay of the passing of the Pennsylvania budget put the Board essentially on hold until they knew the amount of funding that would be allocated to the Library. After reviewing the savings that could be achieved along with the reduction of funding from the State, the Board realized that additional changes would need to be made to ensure a balanced budget. As responsible fiduciaries of the Library, they could not spend money that they didn't have to run the entire system. As a last resort, they concluded that four branches would need to be closed, two branches would need to be merged, and one branch would need to be moved. Due to \$600,000 in one-time stop-gap funding from the City of Pittsburgh, the Library was able to defer that plan for one year.

- **What criteria were used to select which branches would close?**

A number of factors were considered, including: the number of users that would be impacted by the closures, the total population in the market area, including the number of children; the alternatives available (distance to other libraries); and the condition of the building.

- **In December 2009 the Board agreed to defer their decision to close, merge, and move branches until January 1, 2011 due to \$600,000 in one-time stop-gap funding from the City of Pittsburgh. Is closing branches still a possibility?**

The Board is actively engaged in exploring any and all alternatives to achieve long term sustainability for the Library. This community conversation is intended to help identify what those alternatives might be.

- **What new information will the Board have in 2010 that it did not have in 2009?**

Since 2009, the Library has been preparing for ways to address its long-term funding crisis and determine how to ensure that this region has a premier library system that will last for generations. A Public-Private Task Force has been created to explore opportunities to secure a more sustainable revenue stream for the library. Also through this Community Conversation process we expect that library users and other stakeholders will help us better understand the types of changes that would ensure the Library continues to be able to best meet the needs of its users. On March 30, the Regional Asset District (RAD) released the Special Audit of Carnegie Library of Pittsburgh performed

by Parente Beard. The report validates that Carnegie Library of Pittsburgh took a reasonable approach to identifying possible solutions to its funding crisis in 2009. The audit also confirms that the Library system is facing a very real funding challenge – for both operating and capital dollars.

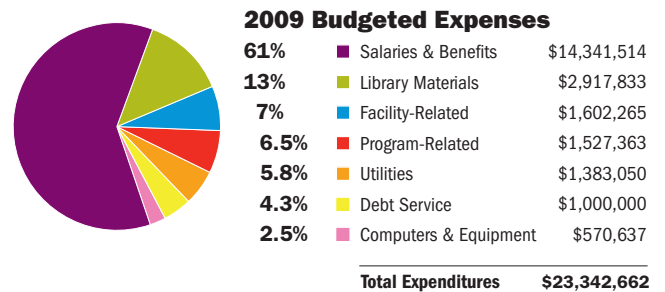
QUESTIONS ABOUT THE 2010 COMMUNITY CONVERSATION

- **Is there any background information that the Library could provide to help the public and key stakeholders further understand the challenge at hand?**

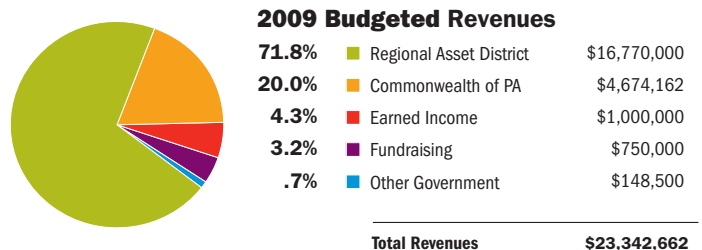
There are several reports that have helped inform the Library's sustainability discussions to date. All of these are available on the Library's Web site at www.carnegielibrary.org/future. Click on the word "background" in the right-hand bar to find reports including: *Assessing the Future of Carnegie Library of Pittsburgh* (Sally Sleeper, Rena Rudavsky, RAND Education) and *Community Impact and Benefits* (Carnegie Mellon University).

QUESTIONS ABOUT FUNDING

- **How much does it cost to operate the library?**



- **Who pays to operate the Library?**



- **The Library raised millions as part of its capital campaign. Can this money be used for operations?**
The capital campaign has raised more than \$55 million to date. Those grants and donations specified that the funds be used only for building improvements and renovations. The funds have been used to improve nine locations and a portion of CLP-Main. The remaining capital funds are not available to support Library operations.

- **What is your current endowment? Why can't you use your endowment to defray costs until the economy recovers?**
Andrew Carnegie did not endow the Library. He expected the community to financially support its operations. The Library's endowment was built over its lifetime through individual or estate gifts and is currently valued at \$10 million. The principal of the gift is invested. In accordance with State law, the Library is able to use a percentage of earnings from the endowment to support annual operating expenses.

QUESTIONS ABOUT ROLES AND RESPONSIBILITIES

- **Who is responsible for making sure the library is financially and operationally healthy in the long-term?**
The Library Board of Trustees is ultimately responsible. The Board appoints the Library Director, who, together with the Library staff, is responsible for the day-to-day operations and finances of the Library. The Library is dependent on taxing authorities for the vast majority of its revenues, and the Library Board and staff make every effort to generate financial support.
- **How is the Library going to ensure its long-term financial and operational health?**
There are three ways the Library is exploring this: find additional funds; reduce expenses, including removing services; and implement more efficient modes of operation. The outcome of the Community Conversation process will also help to inform the Library Planning Committee members about the priorities of the community as they work to ensure long-term financial and operational health of the system as a whole.
- **What are responsibilities of the Public-Private Task Force on Sustainable Funding?**
The Task Force, which is made up of elected officials, civic leaders and community members, is responsible for identifying opportunities to secure long-term dedicated and sustainable funding for the future.
- **What are the responsibilities of the Library Planning Committee?**
The Library Planning Committee is made up of Board representatives of the committees best suited to assess the viability of the ideas that are generated through the Community Conversation process. These committees are: Finance Committee; Facilities Committee; and External Relations/Development Committee. Members of the CLP Executive staff are also critical members of the Planning Committee. They serve to represent the interests of the Library system as a whole. The Library Planning Committee will engage with the Public-Private Task Force throughout the Community Conversation process.
- **How many people use the library?**
More than 2 million people visit the library each year (from the City of Pittsburgh and Allegheny County). In addition there are 4.5 million visits to the CLP Web site annually and 4 million minutes of free wireless time used.
- **What resources does the Library have?**
The Library has more than 5 million items in its collection including historical, research and popular items. More than 3 million items are circulated each year. The Library provides computers, Internet access, online databases, WiFi, and programs for all ages. Our staff answers more than one million questions every year.
- **What are the economic benefits of the Library?**
A 2006 study by Carnegie Mellon University's Center for Economic Development estimated that the library provides a total community impact of \$132 million dollars. For every \$1 of local tax money, CLP returns \$6.

QUESTIONS ABOUT THE VALUE OF THE LIBRARY



Questions for You

1. Why do you think it is important that the Library is financially and operationally healthy?
2. What do you think are the two biggest challenges to achieving this?
What are your suggestions on how to address these challenges?
3. What are the two or three things you value the MOST about Carnegie Library of Pittsburgh?
4. What opportunities do you see for library users and the broader community to play in ensuring the long-term sustainability of the library?

Do you have any other feedback? (attach separately if necessary)

*All feedback received by May 31, 2010 will be included in the Stage One Summary Report.
Any feedback received after that point will be integrated into future summaries.*

CONTACT

All feedback should be sent to Maggie McFalls, Community Engagement Coordinator, Office of External and Government Relations, Carnegie Library of Pittsburgh. You can reach Maggie at: feedback@carnegielibrary.org or by phone at 412.622.8877 or mail at 4400 Forbes Avenue, Pittsburgh, PA 15213.

You can also provide your feedback in person by attending one of the Community Conversation Workshops planned in May. You can also send us your thoughts online by completing the Discussion Guide at www.carnegielibrary.org/future.