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IBO's Programmatic Review of the 2007 Preliminary Budget

*Department of Cultural Affairs
(DCLA)*

IBO

New York City
Independent Budget Office

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Introductory Note

IBO's programmatic reviews of the 2007 preliminary budgets of selected city agencies are intended to assist the public and elected officials better understand the allocation of budgetary resources to city services by presenting agency budgets in a way that is more closely aligned with the actual programs, functions, and services of major city agencies.

The current city budget presentation inhibits understanding and participation in three ways.

First, agency budgets, organized into broad *units of appropriation*, do not easily allow users to understand how much money is being spent from one year to the next on the programs and services that citizens and their elected representatives care about—programs such as job training, childhood lead-poisoning prevention, HIV/AIDS prevention and treatment, after-school programs, immigrant services, affordable housing construction, and recreation programs.

Second, budget proposals are presented in terms of Financial Plan changes, rather than in terms of year-to-year comparisons. A proposed cut, or “PEG,” of \$1 million in a program is presented without information on how much was previously projected for spending on that program in previous Financial Plans, and whether the \$1 million “cut” would leave spending lower, higher, or the same as previous years' spending levels. This presentation often manifests itself in annual debates over “hidden cuts” and what has been “baselined” in the Financial Plan. This manner of presenting the budget makes it difficult to understand the consequences for agency programs of budgetary decisions.

Finally, it is virtually impossible to link spending decisions to program results. Although at one time the city was a trailblazer in performance reporting, the lack of linkage between performance data reported in the Mayor's Management Report and elsewhere, and clear spending information, makes it difficult for citizens, elected officials, and even agency managers to know what they are getting for their money and to evaluate alternatives. Our programmatic budget presentations integrate existing performance data from the Mayor's Management Report, Capstat, and other sources produced by the Mayor's office alongside spending figures, to provide a unified presentation of both spending and performance.

Our goal in preparing these budget reviews has been to hew as closely as possible to how the agencies themselves present their organization, programs, and services, on their official Web sites and other sources, including using the agencies' own language to describe programs in most cases. While we have sought, and in most cases received, considerable input from agencies in the preparation of the program budget reviews, our presentations are not necessarily how the Mayor's budget office or the agencies themselves would present their budgets, were they to do so in programmatic terms. Nonetheless, we think that our presentations can be instructive and point the way toward how to improve understanding of the city's budget in a way that enhances public participation in the budget process.

IBO will periodically update our program budgets. We will continue to separately issue our analysis of the Preliminary Budget, including of selected agency budgets, as we have every year as required by City Charter section 246.

We welcome your comments or questions, which you may direct to IBO at (212) 442-0632, or by e-mail to ibo@ibo.nyc.ny.us.

Department of Cultural Affairs

Mission

The New York City Department of Cultural Affairs (DCLA) is dedicated to supporting and strengthening New York City's vibrant cultural life. DCLA's primary mission is to ensure adequate public funding for non-profit cultural organizations, both large and small throughout the five boroughs.

Agency Description

DCLA works to promote and advocate for quality arts programming and to articulate the contribution made by the cultural community to the City's economic vitality. The Department represents and serves non-profit cultural organizations involved in the visual, literary and performing arts; public-oriented science and humanities institutions including zoos, botanical gardens and historic and preservation societies; and creative artists at all skill levels who live and work within the City's five boroughs.

DCLA is structured primarily into three funding divisions:

1. **Program Services Unit**, which administers funds supporting upwards of 600 groups that provide cultural experiences for the City's residents and visitors.
2. **Cultural Institutions Unit**, which provides operational support (in the form of unrestricted operating grants and the payment of all energy bills - heat, light and power) for major cultural institutions occupying City-owned buildings or land.
3. **Capital Projects Unit**, which provides capital design, construction and equipment funds for those institutions and other cultural groups in City-owned and non City-owned facilities.

In addition, DCLA provides access by artists and cultural institutions to the information, materials and resources to reinforce their creative contributions to the City.

Department of Cultural Affairs

FIVE-YEAR EXPENDITURE TRENDS BY PROGRAM AREA

Department of Cultural Affairs					
<i>Dollars in millions</i>	2003	2004	2005	2006 Current Modified Budget	2007 Preliminary Budget
	Actual	Actual	Actual		
Spending by Program Area					
Administration	\$2.3	\$2.5	\$2.6	\$3.0	\$2.3
Institutions	98.9	96.6	100.2	114.4	87.6
Materials for the Arts	0.3	0.7	0.8	0.8	0.7
Percent for Art	0.1	0.1	0.1	0.1	0.1
Programs	18.9	18.3	18.6	21.4	11.9
Financial plan savings				-0.2	-0.4
TOTAL	\$120.42	\$118.14	\$122.24	\$139.5	\$102.2
Spending by Object					
Personal Services	\$2.1	\$2.3	\$2.6	2.5	2.4
OTPS	118.3	115.8	119.7	137.0	99.8
Full-time Personnel*	46	47	38	43	n.a.
Capital Commitments	\$206.9	\$100.6	\$140.1	\$561.00	\$569.2
SOURCE: IBO.					
NOTES: *Full-time personnel: June 30 actual for 2002 through 2005; budgeted positions for 2006. Actual full-time staffing as of September 2005.					

Department of Cultural Affairs

PROGRAM CHART

Program Area	Programs
Administration	
Cultural Institutions	
Materials for the Arts	
Percent for Art	
Program Services	Cultural Development Fund Line Item Fund Administration

Department of Cultural Affairs
Cultural Institutions

PROGRAM AREA: Cultural Institutions

The Department of Cultural Affairs' mission of fostering dynamic public partnerships with private cultural organizations has its most dramatic expression in its relationship with the Cultural Institutions Group (CIG). The 34 members of this group are each located on City-owned property, and receive significant capital and operating support from the City to help meet basic security, maintenance, administration and energy costs. In return for this support, these institutions operate as publicly-owned facilities whose mandate is to provide cultural services accessible to all New Yorkers.

The CIG represents a broad spectrum of cultural endeavor, from art and natural history museums to historical societies, theaters, concert halls, performing arts centers, botanical gardens and zoos. Institutions range from the internationally renowned Metropolitan Museum of Art and the Brooklyn Academy of Music to community-based organizations such as the Jamaica Center for Arts and Learning, the Bronx Museum of the Arts, and the Staten Island Botanical Garden.

The genesis of this public-private partnership began in 1869, with the creation of the American Museum of Natural History. Since that time, each Institution's relationship with the City has commenced in ways that reflected the City's cultural priorities of the time. For more information on the history of the City's relationship with the Cultural Institutions, please click [here](#).

DCA's relationship with members of the CIG is managed by the Institutions Unit, whose staff oversees the disbursement of City funds to the institutions. Staff members also represent the Commissioner at board meetings of the institutions, monitor institutions' operations and programs on a periodic basis, provide technical assistance in various areas of non-profit management, and serve as a liaison between the institutions and other City agencies.

Cultural Institutions	2005	2006	2007
<i>Dollars in thousands</i>	Actual	Current Modified Budget	Preliminary Budget
Spending	\$100,217	\$110,004	\$87,567
Personal services	174	185	185
Other than personal services	100,043	109,819	87,382
Full-time Positions	2	3	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No relevant performance statistics.

Department of Cultural Affairs
Materials for the Arts

PROGRAM AREA: Materials for the Arts

Materials for the Arts (MFTA), created by the Department of Cultural Affairs in 1978, has provided thousands of organizations with the materials they need to prosper and endure. Headquartered in a spacious warehouse in Long Island City, MFTA collects reusable items from a host of reliable donors, and distributes them free of charge to non-profit arts organizations, City agencies, public schools, and social, health and community service organizations that have arts programs in New York City. Last year alone, MFTA received nearly 1,500 donations totaling more than \$3.6 million, and had 3,564 transactions to registered groups.

Materials for the Arts	2005	2006	2007
<i>Dollars in thousands</i>	Actual	Current Modified	Preliminary Budget
Spending	\$759	\$841	\$678
Personal services	417	433	288
Other than personal services	342	408	390
Full-time Positions	2	2	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results:

Key Performance Measures	Type of Indicator	2002	2003	2004	2005
Value of contributed MFTA materials and equipment (\$millions)	Input	\$3.6	\$3.6	\$3.9	\$4.3
MFTA donors	Input	927	970	1,098	1,276
MFTA transactions	Output	n.a.	3,808	4,525	4,346
# of schools served by MFTA	Output	n.a.	497	734	559
SOURCE: Mayor's Management Report.					

Department of Cultural Affairs
Percent for Art

PROGRAM AREA: Percent for Art

The City of New York Department of Cultural Affairs Percent for Art Program makes art accessible and visible throughout the city, one of the world’s cultural capitals. Public art serves as an expression of the community, as well as a landmark. These public sites provide an important venue for all New Yorkers and visitors to appreciate artwork outside the traditional museum or gallery setting. Percent for Art projects are site-specific and engage a variety of media—painting, mosaic, glass, textiles, sculpture, and works that are integrated into infrastructure, or architecture. The Program commissions artists of all races and backgrounds that reflect the diversity of New York City. These projects demonstrate how art that is integrated into its site enhances civic architecture and a wide range of public spaces.

In 1982, the Percent for Art law was initiated by Mayor Edward I. Koch and passed by the Council of the City of New York requiring that one percent of the budget for eligible city-funded construction projects be spent on artwork for city facilities. Administrated by the City’s Department of Cultural Affairs, the Program began in 1983 with the development of a procedure for determining eligible projects and an equitable artist selection process. Since the Program’s inception, more than 180 projects have been completed with accumulated art work commissions of over \$26 million and 50 new projects are currently in progress.

The Percent for Art Program offers City agencies the opportunity to acquire or commission works of art specifically for city-owned buildings throughout the five boroughs. The purpose of the Program is to bring artists into the design process and enrich the City’s civic and community buildings.

Percent for Art	2005	2006	2007
<i>Dollars in thousands</i>	Actual	Current Modified Budget	Preliminary Budget
Spending	\$58	\$70	\$70
Personal services	58	70	70
Other than personal services	n.a.	n.a.	n.a.
Full-time Positions	1	1	n.a.

SOURCE: IBO.
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.

Performance Results:

Key Performance Measures	Type of Indicator	2002	2003	2004	2005
Percent for Art projects commissioned (%)	Input	n.a.	100.0%	80.0%	90.0%

SOURCE: Mayor’s Management Report.

Department of Cultural Affairs
Program Services

PROGRAM AREA: Program Services

The Program Services Unit administers funds reaching over 600 groups that provide cultural experiences for the City's residents and visitors. These grants support a vast array of programs and activities provided by many of the City's largest cultural organizations as well as neighborhood-based groups, tapping New York's extraordinary wealth of diverse cultures. Exhibitions, performances and training offered by such diverse organizations as the Museum of Modern Art, The Alice Austen House on Staten Island, Brooklyn's d.u.m.b.o. Arts Center, Pregones Theater in the Bronx, and the Queens Symphony, take place throughout the city.

The Department of Cultural Affairs solicits proposals from New York City's arts and cultural organizations on an annual basis. It encourages participation in the process by the widest possible representation of the City's diverse cultural constituency.

For Fiscal Year 2006, the Program Services portion of the agency's budget (\$21.4 million) can be divided into two primary segments: support for organizations named in the City's Adopted Budget and the Cultural Development Fund (CDF). The CDF is the portion of the agency's budget that is designated for competitive awards primarily to organizations that are not named in the budget. In Fiscal Year 2005, approximately \$1.8 million was awarded through the competitive process. A total of 550 organizations throughout all five boroughs competed for these funds, and about 380 of those organizations were awarded funding.

Program Services	2005	2006	2007
<i>Dollars in thousands</i>	Actual	Current Modified Budget	Preliminary Budget
Spending	\$18,574	\$21,665	\$11,912
Personal services	238	275	275
Other than personal services	18,336	21,390	11,637
Full-time Positions	5	5	n.a.
Programs			
Line Item Funds	\$16,509	\$19,578	\$10,053
Cultural Development Funds	1,827	1,812	1,584
Administration	238	275	275
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No relevant performance statistics.

Department of Cultural Affairs
 Program Services

Cultural Development Fund

Cultural Development Fund <i>Dollars in thousands</i>	2005 Actual	2006 Current Modified Budget	2007 Preliminary Budget
Spending	\$1,827	\$1,812	\$1,584
PS	n.a.	n.a.	n.a.
OTPS	1,827	1,812	1,584
Full-time Positions	n.a.	n.a.	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No relevant performance statistics.

Department of Cultural Affairs
 Program Services

Line Item Funds

Line Item Funds	2005	2006	2007
<i>Dollars in thousands</i>	Actual	Current Modified	Preliminary Budget
Spending	\$16,510	\$19,354	\$10,053
PS	n.a.	n.a.	n.a.
OTPS	16,510	19,354	10,053
Full-time Positions	n.a.	n.a.	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No relevant performance statistics.

Department of Cultural Affairs
 Program Services

Administration

Administration	2005	2006	2007
<i>Dollars in thousands</i>	Actual	Current Modified Budget	Preliminary Budget
Spending	\$238	\$275	\$275
PS	238	275	275
OTPS	n.a.	n.a.	n.a.
Full-time Positions	5	5	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No relevant performance statistics.

Department of Cultural Affairs
Capital Funding

Capital Funding

DCLA, through its Capital Projects Unit, supports design and construction projects and major equipment purchases at the 34 City-funded cultural institutions and over 60 other cultural facilities throughout the five boroughs.

Capital appropriations are allocated by the Mayor, City Council and Borough Presidents in the City's Adopted Budget. DCLA works with the cultural organizations to confirm their project scope and also to determine the appropriate administrative agency, e.g., Department of Design and Construction, Economic Development Corporation or Department of Citywide Administrative Services. Meeting the construction, renovation and restoration needs of New York's cultural community, DCLA's Capital Unit has key responsibility in planning the projects it funds, coordinating them with other City agencies, monitoring their design and construction or purchase according to the City's Procurement Policy Board rules. It is also concerned with long-range maintenance and development for facilities under its jurisdiction.

These capital projects assist the nonprofit cultural community in providing increased public service, greater access for the disabled, enhanced exhibition or performing space, better maintenance or preservation of historic buildings or increased protection of botanical, zoological and fine art collections.

Capital Program						
<i>Dollars in millions</i>						
Ten Year Plan Category	2004 Actual		2005 Plan		2006 - 2009 Plan	
	City	Non-City	City	Non-City	City	Non-City
Capital Equipment	n.a.	n.a.	n.a.	n.a.	\$2.7	n.a.
Essential Reconstruction of Facilities	n.a.	n.a.	n.a.	n.a.	244.3	9.2
New Technology/Construction	n.a.	n.a.	n.a.	n.a.	224.3	n.a.
TOTAL	\$98.5	\$2.1	140.0	n.a.	\$471.4	\$9.2
SOURCE: IBO.						