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For Immediate Release

Funding Outlook Threatens Carnegie Library of Pittsburgh's System of Programs and Branches

Financial Gap May Require Cuts in Services and Locations

Public Input and Support Sought in Upcoming Town Hall Meetings

PITTSBURGH, June 22, 2009 – Carnegie Library of Pittsburgh officials said today that the Library projects a \$6 million shortfall by 2014 if no changes are made to its current system in terms of projected funding and operating expense.

Jacqui Fiske Lazo, Board Chair and Dr. Barbara K. Mistick, President and Director, briefed library employees and local media about the Library's financial outlook. The projected \$6 million deficit represents 26 percent of the Library's current \$23 million operating budget. Despite ongoing efficiency measures, including reducing the 2009 budget by 10%, the Library is at a point where it can no longer sustain current operations with the revenue it receives.

"On the horizon, the library system's major sources of funding are compromised as the Allegheny County Regional Asset District and state government are expected to either keep level or reduce their current financial commitments to the City's library system," said Board Chair Jacqui Fiske Lazo. "In addition, given the state of the economy, we also anticipate declines in endowment income and support from other private donors. Our Board of Trustees and the Library's management team are on top of this issue. This will be a difficult, but necessary process that is intended to protect the quality of a great asset to our region," added Ms. Fiske Lazo.

"We're taking a proactive approach," said Dr. Barbara K. Mistick, President and Director of Carnegie Library of Pittsburgh. "For the past several years we have closely monitored the budget situation. This is not a new problem, but is now one that is becoming more difficult to overcome by simply trimming expenses each year. Our goal is to get ahead of this problem as it threatens our system of services and branches. The last thing we want to do is close a library branch."

"We are reviewing every possible action we can take to realize a lower cost structure, including assessing people, programs and places within our system in a manner that protects the high quality of our services," added Dr. Mistick.

Approximately 92% of Carnegie Library of Pittsburgh's 2009 annual operating budget is derived from public or government sources. The Allegheny County Regional Asset District (RAD), which will provide an estimated 72% of the system's revenue in 2009, administers a portion of the County's sales tax revenues, which fluctuate year-to-year. Funding from the Commonwealth of Pennsylvania currently accounts for approximately 20% of annual operating revenue; the remaining 8% is derived from a combination of fund-raising, earned income on investments and the City of Pittsburgh.

In recent years, Carnegie Library of Pittsburgh has commenced a fund-raising program aimed at supporting annual operating expenses. These contributions amount to approximately 4% of the system's total funding.

As it considers options for changes to the system, the Library is seeking public input on the criteria that could be used to make decisions. Changes will be recommended to the Library's Board of Trustees by September and begin to be implemented for the 2010 budget year.

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Public Input and Support Sought in Upcoming Town Hall Meetings

The public is invited to attend any of three “town hall” meetings titled “*Libraries for Life: Sustaining Our Future.*” These meetings will take place in July at centrally-located sites in the City. These are planned to be 90-minute meetings that will include a brief presentation, as well as an opportunity for individuals to voice their opinions on how the Library could maintain its high standards while reducing costs. More details of these events, including meeting dates, times and locations, will be announced within the next week. In addition, the Library is encouraging ongoing advocacy to Library funders on behalf of the Library as well as individual financial support.

“No matter what the circumstances are from a financial standpoint, our goal remains to fulfill the library’s mission of engaging our community in literacy and learning,” said Dr. Mistick. “The engraved stone above the entrance of the Library’s Main branch in Oakland says ‘Free to the people’ and that’s a commitment we must keep. But great Library services comes at a cost, and now we must find new ways to assure Carnegie Library of Pittsburgh is free, open and accessible.”

In 1895, philanthropist Andrew Carnegie dedicated the Main library of Carnegie Library of Pittsburgh and proclaimed it “free to the people.” While he provided the seed money to build the first public library to bear his name in Pittsburgh, he did not endow its on-going costs, as he believed the community and local government should take ownership and responsibility for such a valuable community asset. For many years, the City of Pittsburgh, Allegheny County and the Commonwealth of Pennsylvania provided operating revenue for Pittsburgh’s libraries. In 1994, the Allegheny Regional Asset District was created and became the major source of annual operating funds, thus reducing the role of funding by local government. On average 70% of the Library’s annual operating funds come from sales tax revenue distributed by the Allegheny Regional Asset District.

In 2004, Carnegie Library of Pittsburgh began to fundraise actively to support a capital improvement program to address its aging facilities. The campaign recently capped off a \$55 million goal in which these funds were dedicated to the renovation of nearly one-half of the libraries facilities.

To learn more about Carnegie Library of Pittsburgh, please visit www.carnegielibrary.org.

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About Carnegie Library of Pittsburgh

To Engage our Community in Literacy and Learning

Established as a public trust in 1895, Carnegie Library of Pittsburgh serves the citizens of Pittsburgh and Allegheny County with a distinguished history of leadership among the country’s great public libraries. Through its 19 neighborhood locations, including Main Library and the Library for the Blind and Physically Handicapped, Carnegie Library of Pittsburgh is the region’s most visited asset, with 2.6 million visitors in 2008. Each year the Library provides valuable resources, programs, classes and training opportunities that engage the community in literacy, and life-long learning.

About Libraries for LIFE

Sustaining our Future

In 2009 Carnegie Library of Pittsburgh began a community dialogue to engage the region’s citizens in a community process to protect the long-term sustainability of the City’s library system.