

MOTION BY SUPERVISORS JANICE HAHN AND
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Library Department Structural Deficit and Service Expansion

The LA County Library (Library) strives to meet the high demand for services with limited resources, especially for those in communities that may rely very heavily upon libraries. The Library operates as a social and educational safety net, providing free services and access to resources such as books, materials, e-content, WiFi access, access to computers and printers, as well as other educational and recreational programming. Due to ongoing budgetary constraints primarily related to changes in revenue collection and State realignment, the Library has had to focus on fiscal sustainability over the last three decades. As libraries across the nation have been thriving and transforming into dynamic Centers of Learning and versatile community spaces for patrons of all ages, the Library has been primarily focused on various cost saving measures. Without additional ongoing financial resources available to balance its budget, the Library has not meaningfully expanded programming opportunities and has had to rely on one-time grant funding or other one-time sources, which are not sustainable long-term.

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Currently, the Library's operating budget unit includes fund balance comprised of prior-year savings/carry-over funds, surplus funds designated for the Library from cities and Redevelopment Dissolution Act (RDA) funds. Given that the current library operating budget primarily includes funding for traditional ongoing operating expenses and based on feedback received from cities served by the County Library System it will be important to use all RDA liquidation revenues designated for Library use to offset much needed library projects.

Furthermore, the Library has had to heavily rely on the Los Angeles County Board of Supervisors (Board) to provide an annual ongoing operating subsidy through the General Fund, as well as individual Board discretionary funding for renovations, new libraries and for various operating expenses and program expansion efforts.

On September 26, 2017, the Board instructed the Chief Executive Officer (CEO), in consultation with the Library, to examine the current impending structural deficit facing the Library and ways in which to fix it. The final report back was issued on March 5, 2018, and outlined various recommendations, including an option to return to the Board during the Fiscal Year 2018-19 Recommended budget process. While the County already provides an ongoing General Fund Contribution/operating subsidy of approximately \$24.0 million annually to the Library, this funding level is only sufficient to meet existing operational needs. The Library, as the second largest library system in the nation, has an inadequate service model comprised of minimal staffing, reduced operating hours/days of service, limited programming, and a modest books and materials budget. Additionally, since the current operating subsidy is not subject to growth, it is currently insufficient to cover existing or projected unavoidable cost increases. Additional funding beyond that which would alleviate the deficit, would allow the Library to serve both the members of our community who face the biggest challenges and

add value to the daily lives of everyone served by the Library.

WE THEREFORE MOVE that the Board of Supervisors instruct the Library to:

- 1) Identify \$1.8 million in ongoing funding to offset the cost of suspending existing Board Contributions to the Library's budget for operations and programming, including possible use of their fund balance/reserves for this purpose; and
- 2) Designate all existing and future RDA liquidation revenues designated for Library to offset much-needed library refresh projects.

WE FURTHER MOVE that the Board of Supervisors instruct the Chief Executive Officer to:

- 1) Augment the existing General Fund subsidy to the Library, once the Library exhausts its uncommitted fund balance reserve, subject to an appropriate subvention rate, to offset all unavoidable cost increases, consistent with County budget practices for General Fund departments; and
- 2) Beginning in FY 2020-21, evaluate whether the County General Fund can increase its annual ongoing funding to enhance service levels and security, to transform the Library into a premier, nationally-recognized library system that County residents deserve.

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