

MOTION BY SUPERVISOR JANICE HAHN

August 7, 2018

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. It 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.

Los Angeles County has the second largest library system in the nation, yet it 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. 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

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into dynamic Centers of Learning and versatile community spaces for patrons of all ages, our Library has been primarily focused on various cost saving measures. Without additional ongoing financial resources available to balance its budget, the Library had to rely on one-time grant funding or other one-time sources, which are not sustainable long-term.

Currently, the Library's operating budget includes fund balance comprised of prior year savings/carry-over funds, surplus 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.

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 as well as the possibility of a countywide ballot measure. While the County already provides an ongoing General Fund Contribution/operating subsidy of approximately \$24 million annually to the Library, this funding level is only sufficient to meet existing operational needs.

I THEREFORE MOVE that the Board of Supervisors instruct the Library to designate all existing and future Redevelopment Dissolution Act (RDA) funds liquidation revenues designated for the Library to offset much-needed library refresh projects with

funding to be used for libraries in the city and/or supervisorial district in which the funds were collected. All RDA residual revenues designated for the Library will be used to offset operating expenditures.

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

1. Work with CEO Legislative Affairs and Intergovernmental Relations, CEO Budget, County Counsel, Registrar-Recorder/County Clerk and LA County Library to determine the feasibility of changing existing law to restructure the County's current Library special tax to enable the possibility of introducing a future countywide ballot measure to address the LA County Library's structural deficit. In support of these efforts, the Chief Executive Office should also spearhead, fund and engage a consultant to assist with surveying residents and conducting the formal needs assessment with recommendations on the strategy, advocacy, and costs to ensure a successful measure. The Chief Executive Officer should report back in 180 days on the feasibility of a countywide ballot measure and the consultant's findings;
2. Beginning in FY 2018-19, set aside \$8 million for two years, for a total of \$16 million of new, one-time funds as an obligated fund balance committed for library services; and
3. During the FY 2019-20 Recommended Budget, assess the need to increase in the General Fund subsidy to the Library subject to an appropriate subvention rate for all unavoidable cost increases, consistent with County budget practices for General Fund departments.

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