



TESTIMONY OF PATRICIA A. TUMULTY, EXECUTIVE DIRECTOR
NEW JERSEY LIBRARY ASSOCIATION
BEFORE THE ASSEMBLY BUDGET COMMITTEE
ON A2911
June 24, 2010

I am Patricia Tumulty, executive director, of the New Jersey Library Association

I am here today because the New Jersey Library Association and the New Jersey Library Trustee Association have serious concerns regarding A2911 and its impact on municipal libraries. The speed by which this is moving through the Legislature indicates there seems to be a great need to resolve this issue quickly. We do not share that opinion and would have rather had the opportunity to work over the summer to see where the sponsors have issues with the current legislation and determine what changes were warranted. Obviously, we are not to have that opportunity. As I am sure you know that the library community can raise awareness to an issue we oppose very quickly. We deliberately chose not to do that with this bill because of the complexities involved. We had hoped for dialogue with the legislature on this matter.

Two years ago, the library community worked extensively with Senator Van Drew and Assemblyman Moriarty on legislation which would permit a library board of trustees to return money to its municipality under specific circumstances. This law authorizes the NJ State Library to oversee the process by which the funds are returned from the library board to the municipality. This law was developed by holding several meetings with these legislators or their staffs as well as municipal officials. The legislation had input from the NJ League of Municipalities. It had two hearings in the Assembly Housing and Local Government Committee where we had anticipated it would be heard again this year. This legislation is only two years old.

We believe this law has been working very well for the past two years. Since its inception 15 library boards have returned funds to local municipalities with 2 more requests pending at the NJ State Library. The current law gives library boards and their local municipalities options for managing their fiscal affairs and helps them to plan effectively for the future of library services in their community. At the same time, the oversight by the NJ State Library ensures local residents that their library is meeting minimum state standards and the library board is planning adequately for the future needs of the community.

We believe this bill may have been introduced because of miscommunication at many levels. When we heard Senator Sacco's testimony at the hearing on Monday, he indicated his community could not return funds. When the State Library followed up after the hearing with the library director and local municipal officials it was learned that neither had approached the State Library nor, to our knowledge DCA, about using the current legislation. They certainly can do so right now without amending this law. I believe they have the forms necessary to do so now.

The bill would "require library boards to transfer to the municipality funds in excess of 20 percent of the audited operation expenditures for the preceding budget year excluding funds excluding capital funds." Under NJSA 40:54-12, library boards of trustees have the legal responsibility to manage library funds. This will, therefore, become an absolute. In the future, there would be no ability for the library board to negotiate with the town so that additional funds can be saved by the library for future needs. It will impact the local decision making process. Although it is impossible to cite every example where a library board may choose to save additional funds for future needs, I can provide several possibilities. They include: payments required for compensation to current staff upon retirement (if 3 staff members retire at the same time and each is eligible for \$10,000 in vacation or sick benefits) this will impact the future operating budget; anticipated decrease in the minimum funding level for the upcoming year because of lower property values (to minimize the impact a board may choose to save an additional 5% to 10% of operating costs in the current budget year); the opening of a new or renovated library facility where additional staff costs or utilities must be added to the operating budgets.

The current law works because it preserves the authority of the library board to manage the needs of the library yet gives them the ability to work with their local municipalities. It provides flexibility to local communities. It is not a firm absolute.

In addition, this bill would eliminate any oversight by the New Jersey State Library which under the current law requires that a library meet all current state aid standards and have both a technology and a strategic plan for the future development of the library. We believe removing the review by the State Librarian is a serious flaw in this bill and a serious detriment to the public. The NJ State Library has the expertise to review library budgets and plans. Review by the State Librarian provides the public with a level of assurance that adequate library service is being provided to the community through its library.

The current bill also eliminates protections for county libraries. It will make it much easier for communities to withdraw from county libraries, establish a municipal library and then quickly return funds to the municipality because the library is not meeting state standards. Providing protections for county libraries was important to both Senator Van Drew and Assemblyman Moriarty because they represented both county and municipal libraries in their districts.

Currently, we have no idea how many libraries would be impacted by this legislation. We believe some of the statistics gathered to support the need for the bill were based on a misinterpretation of NJ State Library's State Aid Statistics which can be found online. The NJ State Library asks libraries to provide them with the amount of "carry forward

money” at the end of the year. This is not the same as a surplus since that number can include grants, gifts and other items. The NJ State Library State Aid report does not ask for surplus. We wanted to verify the exact number of communities that are in that situation and the reasons they have for the “carry forward”. This data was also for FY2009 so we do not know how many used any “carry forward” funding in this budget. We will not have the opportunity to do so now.

Perception, unfortunately, often becomes reality and that is what we also believe is happening here. The reality is that library funding is tied to property values. This year in New Jersey the 1/3 mil requirement was lower in 74% of our libraries and in 19% the rate of grow was between 1- 4%. We anticipate that library budgets will be lower in virtually all communities again in the next budget year. This is certainly a good reason to save some funding for the future.

In discussions regarding the need for this legislation of this type, several legislators have specifically mentioned that the Mahwah Public Library was holding \$3 million in reserves. That is the perception. I called the Board President of the Mahwah Library, Curt Koster, on Friday and asked him if this was true and he said yes. He went on to explain that the current library building is approximately 15 years old; when it was constructed the basement was left unfinished. It was agreed that if there was ever any construction done to the basement it would be the responsibility of the library board. So systematically the board has been saving money in a capital reserve fund (which is permitted under this legislation) and with the approval of the town is beginning a construction program for \$2.5 million which will be completed in early 2011. The construction will permit the library to provide four meeting rooms for the community. In addition, also in a capital reserve fund, they are keeping approximately \$400,000 for a new roof which will be needed shortly. Well, that makes about \$3 million all of which is being legitimately kept in a capital reserve fund. The ability of the library board to utilize this funding will save the municipality from having to fund these capital projects in the future.

In addition, the Mahwah Library has used the current law to “return to the municipality” \$200,000 in both 2008 and 2009. They are currently working through the process to return only \$100,000 this coming year because there is a realization by the town that the library will have additional operating expenses once the basement is open to the public early next year.

The point to my story is that when you actually investigate what is going at a specific library, the rumors of “large reserves” may not be true. I don’t think it is proper at a committee hearing to discuss the specifics of every community. We acknowledge that there are issues in a few libraries. We believe it is not prudent to change the law which was enacted just two years ago if only a few communities are affected but we want to know that facts. After all, we are librarians.

The speed by which this legislation is being considered indicates that it is apparent it will move forward now, therefore, we want to offer two small amendments which will strengthen this legislation for all libraries and do not in any way harm the fundamental intent of the sponsors.

First, the bill now removes the protections for county libraries. We want that protection back in this legislation. This language was negotiated with Senator VanDrew who represents both county and municipal libraries. This language keeps municipalities from quickly withdrawing from a county library system and, therefore, weakening the funding base for the county library. We believe the sponsors who represent only municipal libraries were unaware of the impact this change would make to our county libraries.

Second, we propose that you also put back into this legislation the requirement that before any library returns funds that it meet all NJ State Library state per capita aid standards. We do not believe the sponsors want to permit any library in New Jersey to return funds if they do not meet minimum standards for serving its public.

The New Jersey Library Association and the New Jersey Library Trustee Association strongly support transparency in the budgeting process. We wanted to work with the legislature to discuss this issue in a deliberative manner.

We believe this legislation, unfortunately, was the result of miscommunication and misperceptions and, for us, a missed opportunity. This committee has been so gracious to the library community during the budget process by meeting with us to hear our concerns. We are truly grateful and extremely pleased with the results we saw in S3000. It was our hope to gather accurate information regarding the current law so that when we discussed this legislation with you this summer. As I said before we did not actively oppose this legislation when it was introduced two weeks ago. Since it is apparent that will not happen, please consider our two proposed amendments. They are offered to safeguard two very important aspects of the current law- to preserve our county libraries and maintain library standards for all libraries in New Jersey. We believe these amendments do not in anyway interfere with the intent of the sponsors of this legislation and are, however, very important to the library community.