

**House Higher Education Subcommittee
FY 2010-2011 Biennial Budget
Testimony from the Ohio Historical Society
Dr. William K. Laidlaw, Jr., Executive Director
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Chairman Celeste and members of the Higher Education Subcommittee:

It is a pleasure to be with you today. I am Bill Laidlaw, executive director and CEO of the Ohio Historical Society. In the audience today are members of our Board of Trustees, Development Board and our senior management team. From the perspective of a state chartered, nonprofit organization, it's a privilege to discuss our longtime public-private partnership with the state of Ohio.

Last year we commissioned a study to explore the value and impact of history from the public perspective. The new report, *Exploring the Public Value of Ohio's History*, set out to answer a basic question. In an era dominated by technological changes, instant global telecommunications and educational emphases focused on science and math, do people still care about history, historic places or history organizations? Researchers at the University of Toledo simply went out and asked people... The public answered "yes," enthusiastically.

The study surveyed the general public and discovered that people think of history in broadly inclusive and even contemporary ways. They are more likely to think of more recent and personal examples of things they consider to be historic (Hurricane Katrina or their own childhood home, for example) before thinking of things such as Ancient Rome or World War II. More than 85 percent say that history and historic sites are important to them. More than half say history is important to their career. More than three-fourths say they think about the past when making important decisions. Finally, the survey data suggests that Ohioans perceive that Ohio invests the same or less on history than neighboring states and that they are inclined to think that Ohio's elected leaders should invest more.

History clearly allows people to connect with feelings of civic pride and responsibility. There is a clear tie between those who say that history is important and civic participation –

they are 23 percent more likely to do things like vote, join community organizations and find other avenues for civic engagement than those who say they do not think history is important. Visitors to historic sites and museums say such visits are not only valuable learning experiences and entertaining, but they also make them proud to be an American.

Social studies teachers expressed an interest in a much deeper integration of Ohio's history in their classrooms. Teachers repeatedly asserted that neither society nor the government puts enough value on teaching history, saying that even less value is associated with information related to their local community's heritage. One teacher observed that "No one bled on the field or bravely stood up to tyranny because X=5; children grow into responsible citizens inspired by serious study of their history."

The full report is available online at www.ohiohistory.org. **Attachment 1** includes an executive summary of the report and a copy of an article about the report from Sunday's Columbus Dispatch. I want to point out that this report was not written specifically for or about the Ohio Historical Society. It is intended to be a resource for history organizations and for key decision makers like you to understand better how Ohioans perceive the value of history, how they use it and why history matters.

History *does* matter. And if Ohio is to take full advantage of the power of its past, it needs a *strong* state historical organization. The Ohio Historical Society is proud to be the state's full-service history partner, caring for 58 historic sites and museums, the state archives, state historic preservation office and millions of the state's most valuable artifacts and historic documents. We provide important history services and resources to teachers and students. We also provide a wide array of other important history services, including educational programming, curatorial support for museum exhibits at many of our 58 sites around the state, publications such as TIMELINE, historical markers, facilitating federal and state historic tax credit projects, providing access to archival materials, historic preservation and archival services to local governments and an array of outreach and services to hundreds of local historical societies and museums throughout Ohio. Despite years of flat or shrinking budgets, I am proud of what we have been able to offer the public for what amounts to just over a dollar per capita in taxpayer support.

The Ohio Historic Preservation Office (OHPO) is a great example. It is supposed to be funded by a 60 percent federal/40 percent state match. The state typically comes up with about 25 percent – rather than 40 percent – and the Preservation Office staff seeks out other outside sources of funding or non-cash match to make up the state’s funding gap. The OHPO is an important behind-the-scenes player in helping deliver the state’s economic development projects and opportunities. Ohio has one of the busiest preservation offices in the country. In FY 2008 the OHPO completed more than 6,500 reviews of federal undertakings (called Section 106 Reviews) and processed parts of 209 *federal* rehabilitation tax credit applications. We anticipate the award of federal stimulus dollars will elicit a deluge of additional federal project reviews starting right away, and we’re concerned with our ability to process them in a timely fashion.

FY 2008 was also the first year of the new *state* historic tax credit program, which we administer in conjunction with the Ohio Department of Development. The OHPO reviewed 32 projects last year, and we look forward to seeing that program restarted in FY 2010. The Preservation Office provides numerous other services and outreach initiatives for governments, businesses and individuals. If you look at **Attachment 2**, you can see some of the historic resources located in your own legislative district.

OHS already makes very good use of limited state funding. But in times of budget crises like this, any good organization has to take a long hard look at itself and decide what is core. At OHS we’ve done that and identified services that will have the strongest return on investment for the state’s dollars and that provide the greatest public value for the state’s citizens. We’ve also focused on activities that can help build a solid financial foundation for our future. **Attachment 3** includes a five page document that describes in more detail the *OHS Future* that we plan to pursue. I encourage you to review it. A few of the key points are these... We’ve been running very thin in lots of areas for years – not putting nearly enough resources into things like technology and marketing and we’ve reduced staff across all functional areas. That all has to change. We need to do as Governor Strickland often says: *live within our means and invest in what matters*. At the Society, this means supporting three core functions:

- Collections and sites preservation
- Outreach and field services
- Access for research and education

First and foremost, we will preserve the historical collections and sites for which we are responsible, and we will intensify efforts to rebuild the State Archives, extending public hours to those collections and expanding the Archives' services to state and local governments.

We will expand services that support the efforts of individuals and groups who are involved in history efforts in local communities throughout the state. We will support the state's important education needs by building on our already strong teacher training and support programs. We will leverage our limited resources by assisting the efforts of local historical organizations throughout Ohio. One of the greatest needs of these organizations is funding, and we appreciate the efforts of Representative Chandler and others to create a state tax check off program to support this need. If such tax check off becomes a reality, OHS would create a competitive matching grants program that would provide small grants to local history and preservation organizations. We've included a summary of that proposed program in **Attachment 4**. Included in these outreach efforts will be a strong commitment to play a leadership role in the upcoming Civil War sesquicentennial initiative. The 150th anniversary of the Civil War provides an important and timely "teachable moment" for all of us to learn something important about ourselves and our communities. More information about our Civil War 150 initiative is available in **Attachment 5**. We are placing such emphasis on our outreach programs that we have worked with OBM to create a new budget program and corresponding budget line that includes state subsidy devoted to supporting this program. With OBM's concurrence, we have also made additional changes to our operating budget lines so they correlate more accurately with the services we provide the state. A summary and explanation of these changes is available in **Attachment 6**.

In addition to preserving historic resources and providing outreach services to other history groups, we will create new and innovative ways for people to connect directly to history. We know that people today seek history presented in terms that are relevant to *their* lives, and we know they value authenticity, quality scholarship, and storytelling that

accommodates multiple perspectives. They want the freedom to reach their own conclusions about complex issues, and they want learning opportunities available 24/7. So we will be to provide environments—physically and online—in which they can do just that.

We will transform the Ohio Historical Center in Columbus into a collections learning center. **Attachment 7** explains our concept. Visitors will be welcomed to Ohio’s history through an overview exhibition supported by strong interactive online components and a compelling media-based orientation to the state’s stories. A small gallery will accommodate shorter-term topical exhibitions we create in partnership with others for the purpose of showing in other museums and libraries around the state. Most of the space now devoted to static exhibits will be made into accessible visible collections storage spaces and workspaces in which the public can engage in their own research or work alongside our staff as partners. Access to the collections will be greater and the learning will be two-way as we share information and benefit from each other’s expertise and perspectives.

To reach out even further and to take advantage of new technologies, we will expand access to our library and State Archives collections and make more of our collections available digitally. We will relocate our distance learning studio to the collections learning center and outfit it to deliver programs about Ohio history anywhere at any time. In short, we will be redefining the concept of “state museum” by pushing services and resources beyond the existing building walls, ensuring that more people have the kind of access to history resources they need and want.

These three core functions will require an organizational commitment to being a portal to Ohio’s history – in the virtual world and the real world. They will also require us to be a partner and collaborator with local history organizations to help serve their needs. We’ll be a facilitator for researchers, genealogists, educators and lifelong learners. Finally, they will require us to be financially solvent. You’ll see in **Attachment 8** that we have made solid progress in recent years in growing non-state financial support. However, we have a lot of work ahead of us to build our private fundraising capacity to where it needs to be, given the rapid declines in state funding, and to make us less dependent on state support in the future.

Every state funding cut further hampers our capacity to raise private dollars because we have to reduce access to sites and other resources.

Unfortunately, the Ohio Historical Society can no longer afford to provide 21st century public services with 20th century public investments. As you can see in **Attachment 9**, the Ohio Historical Society began the 21st century with about \$13.8 million in state funding, which supported 402 Full Time Equivalent (FTE) positions. If we had simply kept up with inflation, state funding for OHS activities would today stand at more than \$16 million. Instead, funding now stands at \$12 million (approximately 0.046% of the state's annual operating budget) and our FTE count is about 230 and shrinking. The Executive FY2010 recommendations would shrink that funding to \$10.7 million. We all know that history accumulates; it does not shrink. We also know the state's budget, especially its General Revenue Fund, *is* shrinking. Every day's news seems to contain yet another reminder about the state's poor economy and fiscal health. Yet everyone is looking to history to understand the historic challenges before us and to know how best to move forward. As I mentioned before, more than three-fourths of the public who responded to the public value study say they think about the past when making important decisions about the future.

The Society is certainly mindful of our own recent state budget history as we make important decisions about the future of our organization and what we can and cannot do. Like practically all other state-supported organizations – OHS currently gets about 60% of its funding from the state in exchange for performing more than two dozen state mandated activities – the Society is downsizing and reducing our services. I've talked about what we plan to do with the limited state funding available. Now I need to turn to what we will be forced to stop or reduce if state funding stays at the levels contained in the Executive budget recommendations, including the following:

- We will slash administrative costs, some of which will come at the expense of capacity building. Some examples include not filling our vacant chief operating officer position and further downsizing all administrative support functions.
- We will cease publication of TIMELINE magazine, now in its 25th year of publication

- We will reduce the public hours at the National Afro-American Museum and Cultural Center in Wilberforce. We will begin to apply the collections learning center model explained earlier to NAAMC, and we will develop African American history programming that will reach out throughout the state.

I'd like to devote the rest of my remarks to discussing the enormously important issues that relate to the 58 historic sites and museums administered by the Society. Ohio has, by far, the largest state-administered historic site system in the country. From Serpent Mound in Adams County to Fort Meigs in Perrysburg and all places in between, we have historic sites spread across every region of Ohio. We've employed belt-tightening measures for years – spreading site managers over multiple counties to provide services to two or three historic sites, freezing salaries for as long as three consecutive years and cutting costs in all areas. We've reduced hours at sites. Most are open only four days per week during their operating season. There are very few options available to us to keep these sites open to the public. We think the best option is one the Society has been practicing as far back as 1912, and that is to create operating agreements with local partners to run the day-to-day operations of the local historic site in the community where it resides. This practice was accelerated in the early 1980s during another economic recession. Today 29, or half, of the Society's historic sites are managed by a local entity. Another eight are small enough that they do not require staffing. But it's the remaining 18 historic sites and museums (excluding the National Afro-American Museum and Cultural Center in Wilberforce, the Ohio Historical Center and Ohio Village) where we seek local site partners if these sites are to remain open.

We saw a few years ago that state funding was likely to decrease further, and we've made great strides to begin discussions with potential site partners. But this is much different from the early 1980s. Not only is the economic crisis worse, but the remaining 18 historic sites and museums are the bigger, more complicated operations. Not just any organization or any community has the resources needed to support these sites and museums. It is critically important that these site partnerships be created and supported thoughtfully and in such a way as to position the historic site or museum for long-term success. We began this renewed partnership approach over a year ago, hoping to have more time to ensure a successful transition, but time and money have essentially run out. The financial reality is that most of

these 18 sites will have to close on or about July 1 unless more state funding is added to our budget. We are hard pressed to operate them during the remainder of this current fiscal year and are seeking state funds to enable us to do so. As a final backup, our Board has authorized deficit spending this fiscal year partially to fund continued operations. Even at the new, higher maximum deficit amount the Board authorized, we will have to make some reductions to operations and staff between now and June 30, 2009.

In the state FY 2010-11 budget recommendations, there is only enough money to maintain and preserve the sites, pay utility bills and continue working to find site partners. But public access to these sites is not an option with the dollars now available and would have to be temporarily suspended. We need \$1.2 million per year added to our state funding in order to continue access and provide the level of resources required to build strong partnerships to operate the site system. That amount would buy us time to find partners for the 18 sites and put operating agreements into effect. It takes time to find partners and for them to get organized and to begin operations. In the meantime, we don't want to lose the valuable expertise and institutional memory of our incumbent staff by having to lay them off until new partners are found. A summary of the use of the additional \$1.2 million is found in **Attachment 10**.

There can be a lot of upside to transitioning the state's historic sites from OHS staff to staff members of a local entity. These partnerships, if done right, can unleash renewed local pride and enthusiasm within the communities where these sites are located. In fact, there are several success stories I could share with you about our partnerships with local organizations – and perhaps we'll have time during your questions.

As the *Exploring the Public Value of Ohio's History* report points out, Ohioans express a deep appreciation of history and see it largely as a "public good," deserving of public investment. We appreciate the state's investment in the Ohio Historical Society and plan to build on that investment to serve the public in ways that maximize both public and private investments. Thank you for your attention and for the opportunity to be with you today. I'd be happy to answer any questions you have.