



STAFF REPORT INFORMATION ONLY

Provincial Funding for Ontario Public Libraries

Date:	September 21, 2015
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with information about provincial financial support to public libraries in Ontario and, more specifically, to provide an update on the status of the Federation of Ontario Public Libraries' (FOPL) efforts and advocacy concerning the public library operating grants (PLOGs) provided by the Ministry of Tourism, Culture and Sport.

In response to concerns from public libraries across the province about the inequity of application and formula used by the province to administer the PLOGs, FOPL undertook the development of a new funding envelope and model for the PLOGs that would address its shortcomings. There was unanimous support from member libraries for the new model and an active advocacy campaign from them encouraging the government to enact it. While there was some government interest in the model and a request to reshape it from a two to five year implementation plan, ultimately the Ministry was unable to adopt the new funding model in the increasingly challenging fiscal environment in which all government funding decisions had to be made. Rather than increasing funding to PLOGs, the Ministry indicated that it will continue its commitment to the development of library services and its support to the library community through strategic investment in targeted programs and initiatives.

Although the results of this campaign were disappointing, the library community now has a funding formula that is equitable and fair, and has been endorsed by members across the province ready to put before the government again when the economic outlook has improved. While many government funding programs have been reduced in recent years through a series of provincial budget reductions, the PLOGs have been protected to date and sustained without reduction. In the meantime, FOPL continues to advocate with the provincial government for broader financial support to public libraries in a variety of ways.

FINANCIAL IMPACT

There are no financial impacts beyond what has already been approved in the current year's budget.

The Director, Finance & Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

At its meeting on May 25, 2015, the Board received a report on grant funding received in 2014. The Board adopted the following motion:

That the Toronto Public Library Board:

- 1. receives the 2014 Grants report for information; and*
- 2. requests staff to report at the September meeting on the status of the Federation of Ontario Public Libraries' efforts and advocacy concerning provincial operating grants to Ontario public libraries.*

ISSUE BACKGROUND

The Toronto Public Library Board, like most Ontario public libraries, receives an annual Public Library Operating Grant (PLOG) from the Ontario Ministry of Tourism, Culture and Sport.

In a 2012 report, FOPL identified that less than five percent of public library operating budgets was funded by the province. Public libraries must rely increasingly on municipal funding to support their operations, resulting in significant variation in service levels across the province. And for the majority of Ontario's 52 First Nation libraries, the provincial operating grant is the only funding they receive, because their communities do not have a taxation system.

PLOGs have remained unchanged since the mid-1990s when they were reduced by 40%. As library services grow and costs increase, the flat-lined PLOG becomes a declining revenue source which requires additional financial support from the municipality to maintain library services. The formula used to calculate PLOGS has also remained unchanged since implemented in 1998 and is based on inequitable allocation and outdated population data. There is significant disparity in the way the provincial government allocates its PLOG support to libraries. When presented as per-capita allocation, a community with significant population growth such as Vaughan receives \$0.59 per capita while a cottage community with few permanent residents receives \$26.17 per capita.

COMMENTS

Provincial Support to Public Libraries

In Ontario, the provision of public library services is a municipal responsibility with some funding provided by the province. In most provinces, financial support to public libraries is a shared responsibility of the province and municipality. However, the ratio of support varies significantly from 70% provincial funding in New Brunswick to approximately five percent provincial support in Ontario.

Public Library Operating Grants

PLOGs are statutory under the Public Libraries Act RSO 1990. Library operating funding goes to:

- Public Library Boards and First Nations public libraries; and
- Municipalities, Local Service Boards or First Nations that establish a contract for library service with a neighbouring public library board.

The PLOGs are calculated using outdated household statistics and different per-household rates for areas and sizes of libraries. To receive its PLOG, a library must file a brief annual report document and submit standardized statistical data each year.

The provincial envelope for PLOGs is \$22,723,103. Toronto Public Library receives two annual grants from the Ontario Ministry of Tourism, Culture and Sport: a Public Library Operating Grant and a Virtual Reference Library Grant, which is a special grant recognizing TPL's unique role in providing library resources and services to the Ontario library community. The latter is not formula based but rather is granted on submission of an annual business plan and achievements report. It has not changed since implemented in 1998. In 2015, these grants were \$4,127,326 and \$1,446,565 respectively.

Since 1998, TPL's combined provincial grant of \$5.6 million (PLOG and VRL) has not increased. If the grant was adjusted for inflation and population growth, the 2015 grant amount would be \$8.5 million, a \$2.9 million increase. When adjusted for inflation and population growth (number of households), the grant has fallen in value by approximately one third.

Other Financial Supports to the Library Community

In addition to the PLOGs, the province provides financial support to library services in other ways.

The Ministry provides annual operating grants to two non-scheduled agencies – the Ontario Library Service - North and the Southern Ontario Library Service. These agencies are charged with providing a wide range of support programs and services to public libraries throughout northern and southern Ontario, excluding Toronto, on behalf of this ministry by:

- increasing cooperation and coordination among public library boards and other information providers in order to promote the provision of library service to the public; and
- assisting public library boards by providing them with services and programs that reflect their needs, including consultation, training and development.

The Ministry has also provided occasional support to library associations such as the Ontario Library Association and the Federation of Ontario Public Libraries, and for a period of time, Knowledge Ontario.

TPL also receives a number of program grants such as those for adult literacy services, pay equity and Service Ontario etc.

Strategic Investment in Libraries

Rather than increasing PLOGs, the Ministry has opted to increase its financial support to public libraries through “strategic and targeted” investment of funds. In recent years these have included:

- The **Ontario Libraries Capacity Fund**, a \$10 million investment announced in October 2014 and to run over three years that recognizes the key role public libraries play in building strong, vibrant communities across the province, particularly to build digital services and encourage innovation:
 - To improve and expand Internet and wireless services, develop user-friendly websites, enhance collection development with new technology, such as e-books, and encourage innovation and research;
- **Investment in Libraries**, a \$15 million program announced in 2008 to support libraries in bridging the digital divide and ensure all Ontarians have equitable access to digital information, community collections and services:
 - This included a three-year program to fund a set of electronic resources for all public libraries in the province;
- The **Connectivity Fund**, since 1999, the Ministry of Tourism, Culture and Sport has supported public library connectivity through an annual investment of \$600,000 to help eligible public libraries maintain and improve Internet connectivity.

While this additional funding to the library sector in recent years has been appreciated, all but pay equity has been one-time and targeted, and not necessarily for purposes that meet local priorities. For example, the Ministry recently allocated \$1.9 million that was divided among 385 public library systems as Capacity Building Grants. However, those grants were one-time and were not per-capita based. As a result, those grants were not equitable or sustainable and they perpetuated the inequities of an outdated per-household model.

The attached chart (Attachment 1) identifies that TPL has been successful in accessing these additional provincial grant programs to support services.

The Federation of Ontario Public Libraries PLOG Initiative

The Federation of Ontario Public Libraries (FOPL) is a non-profit, public library membership association established in 2005 to provide a single strong voice to speak for and benefit Ontario public libraries through advocacy, research, and marketing. TPL has four members on its 22-person Board of Directors.

Early in its mandate and in response to member concerns, FOPL took on the development of a new funding formula for provincial public library support to recommend to the Minister and implemented an advocacy plan in support of its implementation. After significant research and development, the Federation developed a new per-capita formula that its membership supported and which was recommended to the provincial government. There were three key components to the formula that was developed:

- a significant increase in the total funding envelope for PLOGs to Ontario's 388 public and First Nation libraries to reflect the inflation rate and population growth since 1996, and to recoup the 40% cut that occurred in the mid-1990s;
- a revised distribution formula that ended the significant disparity in fund allocation. On a per-capita basis using 2006 census, provincial support ranged from \$0.59 per resident in communities such as Vaughan, which have seen significant population growth, to \$26.17 per resident in some cottage country communities which have few permanent residents;
- a two-year implementation plan.

The funding model proposed a funding envelope increase for PLOGs from \$18.7 million a year to \$43.9 million, and was based on a universal per-capita rate of \$2.80 and used current population data with a fixed supplement for northern and rural libraries of \$4,500 (or \$9,000 if both northern and rural). In TPL's case, the \$4,059,355 PLOG would have increased to \$7,009,832. There was very strong support for the proposal among libraries across the province. The Toronto Public Library Board wrote a letter to the Minister endorsing the model and encouraging its implementation. The Board indicated that the additional \$2.9 million could be used to support increased library hours, targeted collections and improved access to collections.

The funding model was presented to the Ministry in 2010. A series of meetings with Ministry staff and the Minister was held and there was some receptiveness to the funding model that was so strongly supported by all libraries in the province. However, the ultimate assessment was that the ask was too high for such a short time frame and in a constrained fiscal climate. The recommendation to FOPL was to revise the funding proposal over a five-year implementation that was not front-end loaded.

In 2012, the revised funding model spread over five years was approved by the members and presented to the Ministry. The funding envelope request was increased to \$50.9 million based on 2011 census data. A fuller description of the revised proposal is included in Attachment 2.

Another round of advocacy was undertaken. Unfortunately, the new funding model was not accepted by government. The Minister indicated that while the government valued the contribution of public libraries in building strong communities across the province and recognized the funding challenges that libraries face, it was a time of fiscal restraint and the government was committed to "making prudent decisions...in the context of this larger environment".

While the results of this campaign were disappointing, it was public library advocacy on an unprecedented scale that moved the public library agenda forward in many ways. The library community now has a funding formula that is equitable and fair and is per-capita based, but recognizes the special needs of rural and northern libraries. It has been endorsed by members across the province and is ready to put before the government again when the economic outlook has improved.

While not the increased funding that was anticipated, the Minister has shown his support to public Libraries in sustaining the funding level of the PLOGs through several years of cuts in

government spending. In the meantime, FOPL continues to advocate with the provincial government for broader financial support to public libraries in a variety of ways. Most recently, in response to the sunsetting of the three-year funding for province-wide databases, FOPL wrote to the Minister encouraging him to engage with cabinet colleagues in addressing the issue of inequitable funding of public libraries and secure cross ministerial support for reinstating this funding that supports information literacy for all Ontarians – and across Ministerial mandates.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Summary of Provincial Grant Funding 2010 - 2015
Attachment 2: Details of Federation's PLOG Request