

Senate Finance Committee
FY 2012-2013 Biennial Budget
Testimony from the Ohio Historical Society
Burt Logan, Executive Director and CEO
May 4, 2011

Chairman Widener and members of the Senate Finance Committee:

It is a pleasure to be with you today. I am Burt Logan, executive director and CEO of the Ohio Historical Society. On behalf of our Board of Trustees, our staff, and the thousands of organizations and individuals who preserve, protect, and promote the story of the land we call Ohio, I come this afternoon to pledge our fullest efforts to renew and strengthen the longstanding public-private relationship between the Ohio Historical Society and the State of Ohio that dates back more than 125 years.

Most people are well aware of the difficult financial times the Ohio Historical Society has faced in recent years. Instead of revisiting and recounting past reductions, I would like to highlight a few of our many success stories. Each of us can be proud of what the Ohio Historical Society has accomplished in a down economy and difficult budget environment. Despite sizable state funding cuts in the last budget, we did not close a single historic site or museum. Here are just a few of the things the Society has achieved during the past 16 months:

- Earned national re-accreditation from the American Association of Museums (AAM), for the first time including six of the museums and historical sites included in the OHS network. A seventh, the Hayes Presidential Center, has separately earned accreditation, which is the “Good Housekeeping Seal of Approval” in the museum world.
- Accelerated the process of securing dozens of local historic site managers to partner with the Society to operate most of the historic sites in our care.
- Launched a statewide Civil War 150 initiative that positions the Ohio Historical Society as a resource and clearinghouse for Ohioans, communities and history-related organizations at the local level to commemorate the sesquicentennial of the Civil War. Through coordinated efforts online at www.ohiocivilwar150.org and with the assistance of a statewide advisory committee, OHS is helping Ohioans understand the impact of the Civil War on those who fought, those who were freed, and those who maintained the

home front. The Sesquicentennial officially kicked off on April 10 with a brunch and muster re-enactment at the Statehouse.

- Facilitated a statewide vote for the National Statuary Collection Study Committee to get public input about which Ohioan should replace former Gov. William Allen, with Thomas Edison emerging as the top vote-getter.

There are many other exciting things I would like to share with you regarding the activities and services we are providing across Ohio. You should have received a copy of the 2011 Citizens' Guide to the Ohio Historical Society. I hope you have a chance to read through this publication and to use it as a desktop reference. The Citizens' Guide, published with private dollars, provides a concise summary of the many ways the Society works to preserve, promote, and share Ohio history. We intend to update the Guide annually.

We have approached the FY 2012-13 state budget proactively. After careful consideration by our senior staff and board of trustees, we crafted an innovative proposal that is summarized in your materials. We are grateful that the Office of Budget and Management accepted our proposal. The Governor's introduced budget may provide 7 percent less funding for OHS, but it is 100 percent of what we asked. The modest budget increases to Lines 501, 502 and 504 are still historically low, but stabilizing these funds, as this budget proposes, allows us to keep our momentum and to move ahead with several important initiatives. The reduction to Line 509 may seem draconian, but this is the line item where we have the most capacity to raise non-state funds for those activities.

The funding proposal we presented to the Kasich Administration started by grouping all of the functions the Society performs for the state, as outlined in the Ohio Revised Code, as such:

Category 1: public service functions fully funded by the State and performed by OHS

Category 2: public service functions performed by OHS and funded jointly by the State and OHS

Category 3: public service functions performed and funded by OHS

Category 1 functions are inherently more governmental in nature. These include our most publicly visible activities such as the operation of the State Archives, the State Historic

Preservation Office, and the state's historic sites and museums. In virtually every other state, these functions are performed by a state agency or department. In addition, these functions are less likely to generate private funds. In the case of historic sites managed by local groups, any incremental revenue generated stays with the local operating group, not OHS. For these reasons, OHS proposed that the state be responsible for providing sufficient funds for these particular functions. Category 2 functions that we propose to fund with a mix of state GRF and private funds include many of the activities carried out by the Local History Office as well as the care and preservation of collections items. Category 3 functions are essentially publishing and educational outreach activities that we are more confident can be kept intact through non-state dollars.

Given the outcome of the FY 2010-11 budget for the Society, we could have found countless justifications to request double-digit increases to each line item. We may all agree that Ohio's history is well worth additional investment. We would certainly agree that such a request in this budget environment would not have been realistic or strategic. As it is, OHS has the opportunity to "own" this budget reduction. It is what we asked for, and we appreciate the Administration's willingness to listen and to implement the funding levels we requested.

As you might imagine, there has been a lot of concern about the upcoming biennial budget: Would OHS have to abandon its plans for the future? Would the recently implemented local site management agreements be in jeopardy? Would more staffing and public access reductions be required? If the OHS budget continues to hold relatively stable, we will have the opportunity to maintain our momentum, and our service to Ohioans can continue to grow.

Looking ahead, please allow me to share with you a few things you can expect to see from the Ohio Historical Society over the next two years. We have some exciting changes underway at the Ohio Historical Center this year. On July 1st, we will unveil a new look at the Center, including an expanded visitors' center, significant changes to the museum floor, a special exhibit called simply *The American Soldier*, a photographic documentary of our military service men and women from the Civil War through Iraq and Afghanistan, and a selection of Civil War

battle flags. Later in the summer and fall we will open additional exhibits on archaeology and historic preservation.

We will be highly engaged during the next four years in commemorating the Civil War sesquicentennial. In the fall, the Society will introduce a new 4th grade Ohio history online textbook, marking our entry into electronic publishing. Entitled *Ohio As America*, this much-anticipated e-text will feature audio, video, in-classroom activities and collections images, in addition to the standard text. We are well positioned to do much more, especially if four of our archaeological sites – Fort Ancient, Newark Earthworks, Serpent Mound and Seip Mound – are added to the World Heritage List as we anticipate.

We will continue to strengthen our services and to personalize Ohio's history at every opportunity. We assist hundreds of thousands of Ohioans and out-of-state travelers through our services and by providing public access to our state's historic resources. We will continue to do the many things you've come to expect:

- Review economic development projects and facilitate historic preservation tax credits through the Ohio Historic Preservation Office
- Help communities recognize and celebrate their local heritage through the historical markers program, administered by the Local History Office
- Preserve and provide access to the state's collection of archaeology, natural history and history objects
- Provide enhanced access to the growing State Archives collection of state government records and other materials
- Serve teachers and students alike through teacher professional development, by providing curriculum resources, by coordinating programs such as National History Day in Ohio, and by facilitating experiential learning opportunities through field trips at historic sites
- Publish *Timeline* magazine, an Ohio favorite since 1984

In closing, I want to acknowledge the excellent work of the Ohio Legislative Commission on the Education and Preservation of State History, chaired by Senator Bill Seitz, which was

created out of the FY 2010-11 budget bill. The Commission reviewed the work of the Ohio Historical Society, the Cincinnati Museum Center and the Western Reserve Historical Society. The Commission made 21 recommendations in its final report, published last September. A brief summary of that 150-page report is included here with my testimony for your information.

We are proud to continue this longstanding public-private partnership between the Ohio Historical Society and the State of Ohio. Everything we do in some way contributes to promoting Ohio's educational objectives, facilitating economic development and/or contributing to Ohio's quality of life. Ohio is fortunate to be home to such an abundance of history and historic places. It is our honor and privilege to be entrusted as the stewards of our state's revered and diverse history. Thank you for the opportunity to be with you this afternoon. I would be more than happy to answer your questions.

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Summary of the Ohio Legislative Commission on the Education and Preservation of State History final report

Commission members: Sen. Bill Seitz (R-Cincinnati), Chairman
Rep. Kathleen Chandler (D-Kent), Vice Chair
Sen. Jim Hughes (R-Columbus)
Sen. Nina Turner (D-Cleveland)
Rep. Mark Okey (D-Carrollton)
Rep. Richard Adams (R-Troy)
Ted Prasse (Governor appointee)
Christie Weininger (Governor appointee)
Denny Griffith (Governor appointee)

The Legislative Commission on the Education and Preservation of State History was created in the state's FY 2010-11 state operating budget. It was charged with reviewing the overall delivery of services and instruction on Ohio's history by the Ohio Historical Society, the Cincinnati Museum Center and the Western Reserve Historical Society. The review was to include a needs assessment for each of the three organizations with regard to historic sites, archives, educational programs, governance structure and operations. The Commission was further charged to make a set of recommendations (initially due June 30, 2010) by September 1, 2010 on the following: 1) improving the efficiency of the organizations; 2) alternative methods for the performance or discharge of state-mandated functions by the organizations; 3) best practices regarding governance structures for the organizations; 4) identify alternative public and private funding sources to support the organizations; and 5) any other recommendations that the Commission determines to be necessary.

The Commission held its first meeting on November 18, 2009. Its final meeting was August 30, 2010. The following people provided public testimony before the Commission during the course of its proceedings:

Greg Myers, president of the Ohio Association of Historical Societies & Museums and economic development director for the City of Wapakoneta

Judy Cobb, president of the Society of Ohio Archivists

Jon Elsasser, president of the Zoar Community Association and vice president of the OHS board of trustees

Nancy Putnam Hollister, member of the Friends of the Museums, Inc., managing partner with OHS for the Ohio River Museum, the WP Snyder, Jr. towboat and the Campus Martius Museum in Marietta. Ms. Hollister is also a former governor, lieutenant governor, state legislator and mayor of Marietta.

Alan Tonetti, member of the Ohio Archaeological Council

Dr. Cathy Gorn, executive director of National History Day (Maryland)

Sen. Stephen Buehrer (R-Delta), state senator and former History Day student

Chief Glenna Wallace, Eastern Shawnee Tribe of Oklahoma

Dr. James Bissland, Civil War 150 Advisory Committee member and author of "Blood, Tears and Glory: How Ohioans Won the Civil War"

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A final report was published on September 1, 2010. A summary of its findings are as follows:

Revenue enhancements

- (1) The General Assembly should enact a per-page copying fee for public records to be deposited in a Records Management and Preservation Fund in order to support the management and preservation of local government records.
- (2) The General Assembly should enact a state income tax check-off allowing individual taxpayers to donate all or part of their state income tax refund to OHS, as proposed in H.B. 75 of the 128th General Assembly.
- (3) The General Assembly should create an “Ohio History” license plate, the sale of which would generate revenue for a grant program to support historical organizations in hosting exhibits or increasing access to their collections, with an initial focus on commemorating the 150th anniversary of the Civil War.
- (4) The General Assembly should reauthorize the Ohio Historic Preservation Tax Credit with a provision allowing OHS to charge appropriate application fees.
- (5) OHS should establish an Operational Endowment Fund to provide a base of financial support for OHS’s contractual obligations to the state.
- (6) Historical organizations should work to increase earned income by hosting events such as weddings or meetings at facilities or historic sites under a model similar to that used by the Franklin Park Conservatory.
- (7) The Commission discussed and recommends further discussion of dedicated funding from the General Revenue Fund (GRF) for the preservation of and education in Ohio history. While a majority of the Commission does not support a dedication of the percentage of the GRF at the present time due to the economic condition of the state, the Commission recognizes value in further discussion of such a dedicated revenue source to support this mission. Any recommended change would also need to provide adequate distribution guidelines given the overlapping geographic and content reach of the nearly 1,000 historical organizations in Ohio.

Non-revenue statutory changes

- (8) The General Assembly should establish a task force to study all issues related to Ohio’s cemetery laws. Members of this task force should include representatives of local governments, archaeologists, Native Americans, private cemetery interests, the Ohio Historical Society, the Ohio Department of Commerce’s Division of Real Estate and Professional Licensing, the Ohio Department of Natural Resources, and the Ohio Township Association.
- (9) The General Assembly should amend Section 127.16 of the Revised Code to facilitate expenditure of funds from state agencies to OHS.

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(10) Pursuant to Section 149.53 of the Revised Code, the Governor should issue an executive order to direct state agencies to work with the State Historic Preservation Officer to identify, evaluate, and protect eligible designated state-owned historic properties. Such a provision should not include any mandatory reviews or timeframes, but should include a requirement that state agencies consider the history of such properties. The executive order could be modeled after a similar executive order issued by President Bush (E.O. 13287, March 2003).

(11) The General Assembly should repeal statutory language related to the state registries of archaeological and historic landmarks in sections 149.51 and 149.55 of the Revised Code.

(12) The General Assembly should amend Section 149.30 of the Revised Code to require the Auditor to perform both a fiscal and performance audit of OHS every five years.

Other Recommendations

(13) The Ohio Department of Education should include National History Day in the state's model curriculum as an option for the required Senior Project or as part of other project-based assessments in social studies, and allow National History Day to be used as an alternative to traditional tests in grades 4-8.

(14) The Ohio Tourism Division of the Ohio Department of Development should continue to promote Civil War 150 efforts and heritage tourism activities in Ohio.

(15) The Ohio Association of Historical Societies and Museums should facilitate a meeting for its members to discuss the topic of how historical organizations can better serve the cause of history and civic education.

(16) The next capital budget should appropriate additional funding for OHS to construct a new collections storage facility, as long as OHS considers the feasibility of entering into agreements to use excess space at the Cincinnati Museum Center's storage facility or other available facilities to store certain artifacts in its possession, as well as artifacts kept by local historical societies. OHS should also examine whether a sound and ethical deaccession policy would reduce the cost of such a new facility.

(17) Adequate support should be provided to viable local institutions that partner with OHS, the Cincinnati Museum Center, and the Western Reserve Historical Society to manage historic sites. The support should be based on a funding model that creates an environment of collaboration so that all parties benefit mutually.

(18) The General Assembly should pass a resolution urging Ohioans to participate in the Civil War Sesquicentennial and to recognize Ohio's involvement in the Civil War.

(19) The Commission recommends that interested legislators form an Ohio History Caucus to consider the recommendations of the Ohio Legislative Commission on the Education and Preservation of State History and to broaden members' knowledge of and support for Ohio history.

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(20) OHS, the Cincinnati Museum Center, the Western Reserve Historical Society, and the Ohio Association of Historical Societies and Museums should formalize collaboration efforts between their respective organizations as outlined in the August 17, 2010, memorandum to the Commission from Burt Logan, Doug McDonald, and Gaior Davis. These four organizations should provide mutual support to each other for the purpose of increasing our citizens' awareness of state history by capitalizing on existing history networks, providing mutual support and access to resources, and prioritizing opportunities for statewide collaboration and investment in history and civic education. One topic should be a mutually beneficial and efficient computing system akin to the cloud computing proposal described by the Cincinnati Museum Center.

(21) OHS is seriously underfunded and the General Assembly should work to restore OHS' funding.

Currently, state operating funding for the Ohio Historical Society is less than \$8 million annually, the lowest level since 1986 – not adjusted for inflation. State operating funding for the Society historically has not been tied realistically to the state-mandated responsibilities it has been assigned. The Society's peak year of state operating funding was a decade ago (\$13.8 million in FY 2001). Adjusted for inflation, that would translate now to more than \$16.7 million annually. Instead, the state investment in history is less than half this amount. During this decade-long funding crisis, the Society has not closed a single historic site under its care and has found other cost-effective, creative ways to continue serving the public while preserving and promoting Ohio's history.

Although the state is not in the fiscal condition to make whole the Ohio Historical Society, the state's FY 2012-13 state operating budget can go a long way toward taking some corrective action to ensure the Ohio Historical Society not only remains solvent, but is in a position to capitalize on several historic opportunities. For example, Ohio needs OHS to provide leadership and guidance to the state's Civil War sesquicentennial, preserving Ohio's historic buildings with the support of historic tax credits and educating the next generation of Ohio's schoolchildren about the value of exploring and understanding history.

Few states treat their history operations the same. Some states have their history operations consolidated, others broken up among a myriad of agencies. Ohio would do well to look to the example most like itself, Minnesota. The Minnesota Historical Society (MHS) is the most relevant model in the country. The MHS is set up almost exactly the same as the Ohio Historical Society – a nonprofit organization with the same kind of state-mandated activities (historic sites, state archives, state historic preservation office, etc.) spelled out in law. The difference? The State of Minnesota provides nearly triple the amount of general operating support to the MHS as Ohio does to OHS (more than \$22 million in Minnesota vs. less than \$8 million in Ohio). This is even more embarrassing for Ohio when you consider that Minnesota has roughly half the number of state-administered historic sites and less than half the population of Ohio. OHS provides expertise and services to local history organizations. With additional funding, the Society could provide more resources locally and build stronger, more relevant local history organizations.

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Considering that the OHS budget currently makes up approximately .0003 of the state budget, we can and should afford to build back the OHS budget to a more respectable level. We cannot afford to wait until later to do what is in Ohio's best long-term interest now.

Other items discussed by the Commission

The Commission discussed a number of other possible actions that may merit further exploration, but which were not included among the Commission's recommendations because they were not supported by a majority of the Commission's members. These include:

- (1) Amending the Ohio Revised Code to allow local impact fees to be used to provide state matching funds for the Ohio Historical Preservation Office to fully leverage federal funds and fulfill its responsibilities under the National Historic Preservation Act of 1966.
- (2) Setting aside a percentage of General Revenue Fund tax revenues for OHS, a portion of which could be allocated to local historical societies, in a manner similar to the current distributions made from the Local Government Fund and the Public Library Fund.
- (3) Seeding the OHS Operational Endowment Fund with a combination of \$10 million in state funds and \$5 million in private money, as proposed by OHS.
- (4) Consideration of the long-term funding proposals offered by the Cincinnati Museum Center and the Western Reserve Historical Society. The two organizations endorsed a preference, from among those proposals, for Model 2, Formula Based with Grants (proposals are attached to the final report).
- (5) OHS should adopt a responsible and ethical deaccessioning policy in accordance with American Association of Museums guidelines in order to sell certain artifacts, the proceeds of which could be used to cover costs of preservation and storage activities and, possibly, a portion of the costs of an improved collections storage facility.
- (6) OHS, the Cincinnati Museum Center, and the Western Reserve Historical Society should undertake a survey of the current and potential impact of historical attractions on Ohio's economy, as proposed by the Western Reserve Historical Society in a memorandum dated July 26, 2010.

Excerpts from the report's concluding remarks

The Commission spent a lot of time developing an understanding of the declining budget trend line... The Commission also spent a lot of time advancing what were thought to be good ideas, but which turned out to be either illegal, unworkable, or are already being done. For example, some thought OHS should be able to charge for some of the work of the Ohio Historic Preservation Office, only to find that our hands were largely tied by federal law. Others put forward the idea of encouraging OHS to find local organizations to adopt more of its sites, only to find that OHS has already done so for a large number of its sites. Some thought that OHS might be overstaffed in relation to the other two major historical organizations, but it appears that

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the three institutions' survey instruments tend to show that is not the case. Moreover, the Commission learned that there are numerous unfunded mandates imposed on OHS that serve a valid purpose, but are not being adequately funded. Some thought that money could be saved by transferring the Ohio Historic Preservation Office to the Department of Development, only to find that this would not work very well, and that the Department was not particularly receptive to the idea. Some even talked about moving towards a regionalized model, by which the Cincinnati Museum Center and the Western Reserve Historical Society would take charge of the smaller sites in the Greater Cleveland and Greater Cincinnati areas, only to find that no one was sure that there would be any cost savings involved in such an approach.

Across Ohio there are unique historical organizations with operations that complement each other. It is through their collaboration that this Commission believes success, across the state, can be achieved. Although many of the recommendations of this report focus on the Ohio Historical Society's functions, there is unequivocal recognition of the importance of the Cincinnati Museum Center, the Western Reserve Historical Society, and the myriad of other historical organizations throughout Ohio. Without these important resources Ohio's great history would not be preserved to its current extent.