



**House Finance Committee
House Bill 49 Testimony
March 29, 2017**

Good morning, Chairman Smith, Ranking Member Cera, and members of the House Finance Committee. Thank you for the opportunity to speak to you today regarding House Bill (HB) 49 and Ohio's public libraries.

My name is Michelle Francis and I am the Director of Government and Legal Services for the Ohio Library Council. Joining me today for testimony is Debbie Saunders, Director of the Bossard Memorial Library in Gallia County, Ohio. We are testifying today on behalf of the Ohio Library Council, Ohio's 251 public library systems (rural, urban and suburban) and the 8.7 million library cardholders they serve.

We are here to share our thoughts on certain provisions in HB 49 related to the Public Library Fund (PLF) and workforce development. In addition, we hope to give you a glimpse of the wide array of services provided to Ohioans everyday through public libraries.

Public Library Fund

We would like to begin by formally thanking the General Assembly and especially this committee for your work during the last biennial budget process (HB 64) to begin to restore state funding to Ohio's public libraries through the Public Library Fund. Unfortunately, it is those efforts that are now in jeopardy under the governor's proposal for FY18-19.

The Public Library Fund is not a line-item appropriation like the numerous programs and state agencies before you in HB 49. It is in permanent law and is a set percentage of the state's General Revenue Fund (GRF). It ebbs and flows each month depending on state revenues and is currently set at 1.7% of the GRF for FY 2017.

The "As Introduced" version of HB 49 would cut state funding to Ohio's public libraries by more than \$7.7 million in FY 2018 by reducing the PLF from 1.7% to 1.66% of the state's GRF. State funding through the PLF is critically important because it remains a primary source of revenue for public libraries. Statewide, more than 49% of the total funding for Ohio's public libraries comes from the state through the PLF. In addition, 58 of the 251 public library systems do not have a local property tax levy and rely solely on their state funding as their main source of revenue for day-to-day operations.

Furthermore, state funding for Ohio's public libraries has not increased with inflation over time or fully recovered from the recession. In the last 15 years, state funding has dropped by more than \$118 million, from \$496 million in FY 2001 to \$377.6 million in FY 2016. (See Attachment A).

As mentioned earlier, we are extremely grateful to the General Assembly for raising the PLF to 1.7% of the GRF during the previous state budget discussions and we are hoping to maintain that level for the FY18-19 biennium. To put this into perspective utilizing the administration's "all funds" approach to budgeting, the legislature is currently considering a \$30.6 billion budget for FY 2018. Maintaining the PLF at 1.7% would require an additional amount equal to less than 1/300th a percent (.029%) of that budget.

Public libraries are very much aware of the current state revenue conditions and other parameters impacting the GRF. It is important to note that even though libraries were originally estimated to receive \$404.3 million in FY 2017, those amounts were never fully realized and the total PLF distribution for FY 2017 is likely to end on June 30 at \$386 million (over \$18 million below estimates). (See Attachment B).

In HB 49, Ohio's public libraries are simply looking for revenue stability in an effort to maintain current levels and to prevent reductions in services to Ohioans. As our state funding has experienced peaks and canyons over the past several years, the demand for services to Ohio's citizens has increased. Keeping up with the growing demand for services is only possible with adequate funding.

State funding is not only essential for libraries, but for the communities they serve.

Libraries today provide a wide range of services to Ohio's citizens based on the needs of each individual community. In your local communities, public libraries serve as a critical resource by providing connectivity to the Internet and computers for personal, employment and student use. They provide wrap-around services through after-school homework help centers and feed children during the summer through the Summer Food Service Program. When schools and OhioMeansJobs centers are closed, Ohio's public libraries are open. Ohioans utilize their local libraries for job search assistance, online training and to start small businesses.

Some libraries today are providing passport services and lending everything from musical instruments and artwork to toys and bicycles. They are providing digital content through eBooks, eAudiobooks, movies and music. They are partnering with schools in response to the Third Grade Reading Guarantee and providing digital content through eCards. Libraries will always have books on the shelves, but services in today's public libraries go far beyond books. These are just a few examples of the services provided to Ohioans through local libraries every day and provide an extremely small snapshot. (See Attachment C). Debbie Saunders will share a few specific examples of services provided by her local library in a few minutes.

In an effort to quantify the value of Ohio public libraries to the state's residents and to measure our library services with other states, the OLC commissioned a "Return on Investment" (ROI) study in 2016. The ROI report found that nearly \$2.7 billion in direct economic value is provided to Ohioans by libraries and that every \$1 spent by libraries returns over \$5 in economic value to Ohio residents. Some of the key findings include:

- Ohio has the highest library use per capita in the nation.
- Ohio has the highest number of library visits per capita and the highest number of library transactions per capita.
- Ohio ranks 41st nationally in cost per library transaction.

The ROI report makes it abundantly clear that Ohio's investment in public libraries is both cost effective and of high value to the state's residents.

Workforce Development

HB 49 proposes leveraging public libraries more and positioning them as "continuous learning centers." Specifically, the bill language authorizes the Governor's Office of Workforce Transformation (OWT) to work with the Ohio Library Council to develop a brand for public libraries as "continuous learning centers" that serve as hubs for information about local in-demand jobs and relevant education and job training resources.

Public libraries have been providing lifelong learning opportunities to Ohioans for years. Providing access to information, educational opportunities and employment search assistance to patrons and customers is not something new. We appreciate the fact that Gov. Kasich is acknowledging this work. However, continuing to deliver these essential services at the local level will be a significant challenge if the state decides to cut funding to Ohio's public libraries.

Conclusion

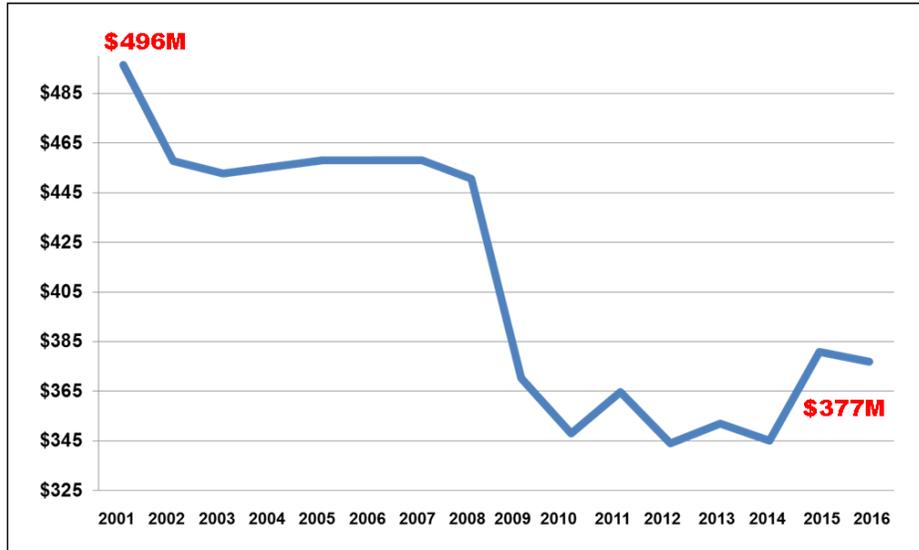
We are urging members of the General Assembly to not cut state funding to Ohio's public libraries in HB 49. The Ohio Library Council and Ohio's public libraries are asking legislators to maintain the current funding level of the PLF at 1.7% of the GRF. In addition, due to the current economic climate, tax reform policy discussions and changes to the GRF base by removing the Medicaid Managed Care Sales Tax (MCO) from the GRF and creating a new Medicaid HIC Fee outside of the GRF – we are encouraging legislators to include a hold harmless provision or guarantee so that state funding for libraries does not drop below the FY 2017 level and libraries do not receive additional unintended reductions in funding.

The Ohio Library Council and Ohio's public libraries look forward to working with you over the next few months to protect state funding to Ohio's 251 public library systems through the PLF and to ensure that the 8.7 million cardholders continue to receive fundamental services.

Thank you for your time. With the chair's permission, I will now turn it over to Debbie Saunders for her testimony and then we will both take questions.

Attachment A

Ohio's Public Library Fund



Attachment B

**Comparison of PLF through Previous Budget Process
(\$ in Millions)**

	HB 64 As Introduced (Gov.'s Proposal) 1.66% of GRF	HB 64 As Passed by the General Assembly 1.7% of GRF	Actual Distribution/Most Recent Estimate*
FY 2016	\$379.5	\$389.5	\$377.6
FY 2017	\$394.3	\$404.3	\$386.0*
	*Updated March OLC Estimate for FY 17		

Attachment C

Public libraries offer Ohioans a wide variety of programs, services, and materials beyond books including, but not limited to:

Examples of Lending

Personal Wi-Fi Devices
Tablets & iPads
Musical Instruments
Digital Materials (eBooks, eAudiobooks, etc.)
Artwork
Bicycles
Cookware
Tools
Toys
Physical Books, Audiobooks, Music, Movies

Examples of Services

Wi-Fi
3-D Printers
Homework Help Centers
MakerSpaces
eGovernment Assistance
Income Tax Assistance/Tax Form Booklets
Job Search Assistance
Resume Assistance
Storytime
Summer Food Service Program Feeding Sites
Musical & Theatrical Performances
Passport Services
Summer Reading Programs
Early Literacy Programs
Educational/Computer/Technology Programs/Classes
GED/ACT/SAT Test Preparation Programs
Meeting Room Space
Polling Locations & Training
Computers