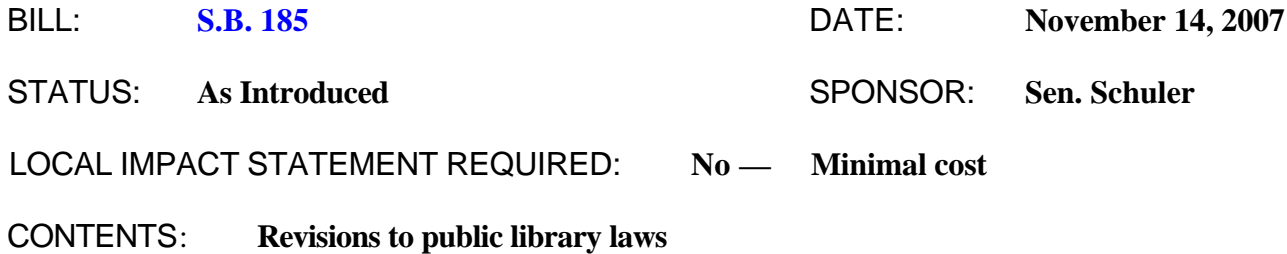


127th General Assembly of Ohio



- Free public libraries may experience a minimal increase in expenditures to implement the requirement that all library employees be paid by direct deposit. However, these expenses may be offset by the savings of switching from a paper system.
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Detailed Fiscal Analysis

The bill makes various changes to the laws governing free public libraries in Ohio. Among other technical changes that have no fiscal effect, such as changing the legal title of a public library clerk to the fiscal officer, the bill creates new requirements for free public libraries and school district libraries. Both of these new requirements could impose a minimal additional cost on free public libraries and school districts.

Direct deposit of library employees' paychecks

Under the bill, public library boards of trustees must pay employees via direct deposit. Employees must provide written authorization to the library's fiscal officer (formerly clerk) for direct deposit. Libraries must also adopt a policy for ensuring the direct deposit of compensation into a financial institution for employees who do not submit a written authorization. It is not known how many libraries in Ohio already use direct deposit. For those that currently do not, the direct deposit requirement may cause them to incur some minimal costs for the transition period, including developing forms for authorizing direct deposits, financial record-keeping procedures, and adopting the policy for employees who do not submit an authorization, as well as meeting any requirements of the library's own financial institution for making the necessary transfers into employees' accounts. However, adopting direct deposit for employee compensation will presumably create long-term savings for libraries since the costs associated with printing and distributing paper paychecks will no longer be a factor.

School district library records commissions

The bill also adds school district free public libraries to the list of libraries that must have a library records commission. Records commissions must review applications for the disposal of obsolete records and schedules of records retention and disposition that are submitted by library employees. Commissions are required to follow a process of informing the Ohio Historical Society (OHS) and, in turn, the Auditor of State of any public records scheduled for disposal so that it can be determined if any records are deemed to be of value. It is not likely that the additional costs of creating a records commission and carrying out its functions would create more than a minimal cost to school district libraries, since the commission must consist of the existing members and fiscal officer of a library (or school district, in this case) board of trustees, and it is up to library employees to submit applications to the commission for the disposal of records. Any additional costs to school districts are likely to be administrative in nature, including developing applications for record disposal and the costs of sending materials to OHS.

Library and Local Government Support Fund distributions

Finally, the bill changes the way funds are distributed to public libraries from the Library and Local Government Support Fund (LLGSF). Under current law, library associations may receive support from the fund if they were organized and operating prior to January 1, 1968. The bill adds the requirement that library associations must have received a distribution of the proceeds of the fund prior to December 31, 2005 in order to be eligible for further funding. However, according to the State Library of Ohio, there are 251 public library associations in Ohio, with none having been newly formed since that time, so the provision in fact would apply only to new associations formed after the bill becomes effective. Because current law requires county budget commissions to determine whether an entity (public or private) is a library association for the purposes of receiving distributions from a county's LLGSF allocation, the bill would effectively prevent any newly created private entity declared to be a library association from receiving state LLGSF distributions.

The fiscal effect would be to limit the revenues available to such newly formed library associations to sources other than the LLGSF and to limit counties' LLGSF allocations only to currently existing public library associations. It is possible that public library associations already participating in LLGSF distributions could cease to exist and then reconstitute themselves after the bill becomes effective. Such an occurrence could have a minimal effect on the total LLGSF distribution to public library associations. Because the estimated amount available for spending from the LLGSF in FY 2008 is approximately \$460 million, however, there would be no significant fiscal effect on the fund as a whole.

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