



Senate Finance Higher Education Subcommittee
House Bill 64 Testimony
Ohio Library Council
May 12, 2015

Good morning, Chairman Gardner, Vice Chair Cafaro, members of the Senate Finance Higher Education Subcommittee. Thank you for the opportunity to speak to you today regarding House Bill (HB) 64 and Ohio's public libraries.

My name is Kim Fender and I am the Eva Jane Romaine Coombe Director of the Public Library of Cincinnati and Hamilton County and Chair of the Ohio Library Council's Government Relations Committee.

I am testifying today on behalf of the Ohio Library Council, Ohio's 251 public libraries and the 8.9 million Ohio library cardholders we serve. Joining me today for the testimony is Patrick Losinski, CEO of the Columbus Metropolitan Library. He will be sharing some additional information later in our testimony specific to the phase-out of the Tangible Personal Property (TPP) Tax reimbursement payments.

Ohio's public libraries are the cornerstone of their communities. We serve all Ohioans from small, rural communities like Ada to large, metropolitan communities like Cincinnati, and everything in between. We are committed to providing our communities with the very best public library service and we truly are open to all.

Ohio's public libraries are more than repositories for books. We help Ohioans find jobs and provide training courses. We are often the only place where people can come for free Internet access to apply for jobs, complete school assignments or access government services. We make computers available to citizens and offer the latest technology and eBooks. We help children prepare for Kindergarten, read at grade level, and graduate on time. We are frequently the only library students can access. We serve as a place for the community to gather and provide life-long learning opportunities and programming for all ages. The data speaks for itself:

- Total statewide annual library attendance is more than 85 million.
- More than 8.9 million Ohioans are library cardholders.
- Library computers are used more than 21 million times in a year.

- Ohioans download more than 8.7 million items from public libraries – including eBooks, music, magazines and videos.
- 460,000 Ohio children and teens participated in library summer reading programs.

Ohio's public libraries have received numerous national awards and recognition for the services we provide. A primary reason for our success is the state funding we receive through the Public Library Fund (PLF).

PLF

The PLF has been the primary source of funding for Ohio's public libraries since 1985. However, it is not a line-item appropriation like the numerous programs and state agencies before you in HB 64. The PLF is in permanent law and is a set percentage of the state General Revenue Fund (GRF). It ebbs and flows each month depending on state revenues. The PLF is currently set at 1.66% of the GRF.

Since 2008, state funding for public libraries has dropped 24%; from \$450.6 million in 2008 to \$345.1 million in 2014. There has been no increase to keep pace with inflation. This significant reduction in funding for public libraries is not a result of one or two funding cuts, but rather a series of freezes, reductions and recalculations of the PLF percentage.

With more than half of library operating expenses coming from the State PLF, these reductions have meant tough choices. Some libraries reduced expenses by reducing hours and services, freezing or cutting salaries, or buying fewer new books and materials. Others worked to increase revenues by asking local taxpayers for more money. Many did both to survive. But, public libraries' level of state funding remains the same as in 1996.

As an example, my Library reduced our hours of operation by 10%. This resulted in significant savings through staff reductions but use of the Library continued to grow.

Also, our ability to purchase materials for patrons, most notably eBooks which are not discounted for public libraries, has been greatly diminished by the reduction in state funding.

There is a growing demand from our patrons – Ohio's citizens – for new technologies, digital content, education and job searching services, and more. Keeping up with the growing demand for services is only possible with adequate funding.

Libraries are also engaged in education and workforce development. Two notable examples come from my Library and the Columbus Metropolitan Library.

- The Columbus Metropolitan Library recently partnered with a local software development firm to offer four free, two-hour workshops to teach basic computer programming and coding skills. As result, four participants have moved into paid apprenticeships with the company.
- Last year, more than 2,500 children experimented with science, participated in computer activities, and read stories at my Library's summer learning Brain Camps, geared toward 6-10 year-olds.

Libraries also provide an excellent return on investment (ROI). Working with an economist, the Ohio Library Council and I developed an ROI calculator that lets a library enter statistical data and calculate their return on investment. I recently updated my Library's ROI with 2014 data and for every dollar we spent our community received more than \$6.00 in economic benefit. With a budget of \$51 million we provided an ROI of more than \$321 million to Hamilton County in 2014.

HB 64 includes various new tax reform proposals that will impact the GRF and the distribution to the PLF. If the General Assembly decides to reduce the personal income tax, we request that these reductions be offset by increases in the PLF percentage to make-up for those losses.

The Ohio House heard from their constituents and reset the PLF percentage at 1.7% in their version of HB 64. Today, we are asking you to keep the House's changes and build upon them if possible.

I will now turn it over to Patrick Losinski to share some comments on the TPP.

TPP and PUTPP

Good morning, Mr. Chairman and members of the committee. I am Patrick Losinski, CEO of the Columbus Metropolitan Library. Thank you for allowing me to join my colleague in providing testimony today.

The Columbus Metropolitan Library (CML) has 22 locations across Franklin County, and we are proud to serve nearly 875,000 library card-holders.

In addition to the Public Library Fund, there are other provisions in HB 64 that we would like to bring to your attention. HB 64 re-activates the phase-out of the Tangible Personal Property Tax (TPP) and Public Utility Tangible Personal Property Tax

(PUTPP) replacement payments to libraries and other local governments. Of the 251 public libraries, 43 currently receive either TPP or PUTPP reimbursement payments. The payments vary from hundreds of dollars to several million dollars depending on the location and size of the library system.

It is important to note that in the House version of HB 64, school districts were held harmless from the TPP and PUTPP phase out. However, public libraries were not held harmless from these phase outs in HB 64. Collectively, the 43 libraries impacted will lose nearly \$7 million annually in funding. For my Library, the impact of the phase out is more than \$2 million annually.

If there are to be phase outs and/or reductions in these replacement payments, we respectfully request that those libraries impacted be held harmless, or that an additional increase in the PLF percentage is made to offset those losses for those libraries.

The TPP allows CML to offer critical community services beyond books. We are direct educational partners with the 10 school districts we serve. We offer programs to support kindergarten readiness, the third grade reading guarantee, homework help centers and book delivery to elementary schools. And as Kim mentioned earlier, we recently implemented a workforce development partnership with a local software company to train coders in two of our libraries. Through this program, we are providing the unemployed with vital skills that will lead to a career in a thriving industry.

The libraries of today are more than just a collection of materials. They are civic resources that proactively address community needs – from early childhood, through the working years, and into the senior years. We are grateful for the PLF and TPP funding, which allows us to serve your communities in this manner.

Thank you for the opportunity to speak to you today regarding the phase-out of the TPP reimbursement payments on public libraries. I will now turn it back over to Kim Fender to conclude our remarks.

Conclusion

Last year, the PLF distributed to Ohio's libraries the same amount of dollars that it distributed in 1996. Today, we are asking you to keep the changes made by the House and possibly build upon them so that we are protected from any additional cuts in funding that may result from the tax reform measures in HB 64 and the accelerated phase-out of the TPP and PUTPP reimbursement payments.

Changing the PLF percentage represents an extremely small fraction of the state budget, but is invaluable to Ohio's excellent public libraries and the citizens we serve. At a time when our services are needed more than ever, this funding is also needed more than ever. Libraries may be free to all but they are not free to operate. We have always been good stewards of public dollars, and it is time that the citizens of Ohio and their communities have their library funding restored.

We hope we can count on your support.

Thank you for your time. We are happy to answer any questions you may have.