



**Senate Finance Committee  
House Bill 49 Testimony  
June 7, 2017**

Good afternoon, Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell, and members of the Senate Finance Committee.

My name is Michelle Francis and I am the Director of Government and Legal Services for the Ohio Library Council (OLC). Joining me today for testimony is Kim Fender, Director of the Public Library of Cincinnati and Hamilton County and Chair of OLC's Government Relations Committee. We are testifying today on behalf of OLC, 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 we hope to provide you with the latest information regarding state revenues and their impact on the PLF.

**Public Library Fund**

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 Fiscal Year 2017 (FY17).

We understand that the Ohio Senate has difficult decisions to make as state revenues continue to come in below estimate. However, Ohio's public libraries have already received cuts in state funding over the years and have yet to fully recover from the recession. Currently, public libraries receive \$119 million LESS in state funding than what they received in 2001 – a 24% reduction in funding over the last 15 years with no adjustment for inflation. (See Attachment A)

In addition, in FY17, the PLF is receiving \$24.6 million LESS than what was authorized by the General Assembly in the last biennial budget bill (HB 64) – a 6% loss in funding. The PLF was authorized to receive \$404.3 million in FY17. However, it is now likely to end June 30 at less than \$379 million. (See Attachment B)

Overall, Ohio's public libraries could receive three additional "hits" or cuts in funding under this proposal:

- HB 49 reduces the PLF percentage of the state's GRF from the current rate of 1.7% to 1.66% of the GRF.
- Declining state revenues into the GRF further reduces the PLF distribution to libraries each month.
- HB 49 removes the Medicaid Managed Care Sales Tax (MCO) from the GRF which further reduces tax revenues and ultimately reduces the PLF.

After taking into consideration these additional cuts and the possibility of a \$1.1 billion reduction over the biennium, we estimate that **HB 49 could cut state funding to public libraries by an additional 5% in FY18** (a \$19 million loss in funding). (See Attachment C)

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.

**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. Libraries will always have books on the shelves, but services in today's public libraries go far beyond books. (See Attachment D).

With state revenues coming in below estimate, we understand that the state must determine its priorities and where it will focus its resources. According to a "Return on Investment" (ROI) study in 2016, Ohio's libraries provide nearly \$2.7 billion in direct economic value to Ohio's citizens and 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 clear that Ohio's investment in public libraries is both cost effective and of high value to the state's residents.

Therefore, now is not the time to be making additional cuts in funding to public libraries. Library usage increases during economic downturns as people turn to their local library for computer and Internet access, job search assistance, resume building, online training and to start small businesses.

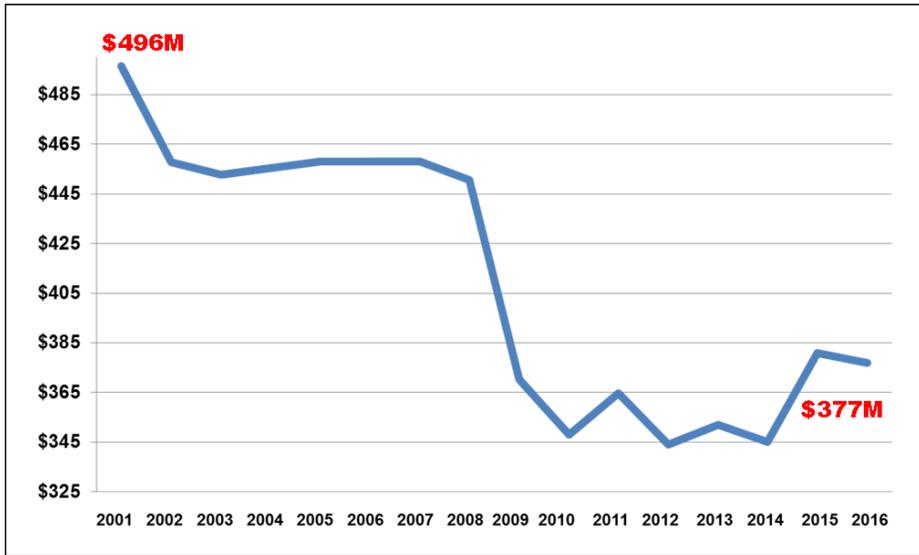
### **Conclusion**

Based on the cuts already made to Ohio's public libraries, we are urging the Senate to not make any additional cuts to the PLF. At this time the OLC is respectfully asking the Senate to **maintain the current PLF percentage at 1.7% of the GRF** and at the very least to **ensure that the PLF receives no less than the actual FY 2017 distribution amount.**

Thank you for your time. With the chair's permission, I will now turn it over to Kim Fender 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)**

	<b>HB 64 As Introduced (Gov.'s Proposal) 1.66% of GRF</b>	<b>HB 64 As Passed by the General Assembly 1.7% of GRF</b>	<b>Actual Distribution/Most Recent Estimate*</b>
FY 2016	\$379.5	\$389.5	\$377.6
FY 2017	\$394.3	\$404.3	\$379.7*
	*Updated May <b>OLC</b> Estimate for FY 17		

FY17 @ 1.7% of GRF Authorized = \$404.3 Million  
 FY17 @ 1.7% of GRF Updated May = \$379.7 Million

**Minimum 6% Loss in Funding of \$24.6 Million**

## **Attachment C**

### **Adjusted Baseline GRF Tax Revenue Estimates**

Baseline GRF tax revenues after the MHIC changes and the Increased CAT allocation to the GRF are as follows:

FY18 = \$22,288.0 Million

FY19 = \$22,983.8 Million

Adjusting the baseline tax revenues further by \$550 million (\$1.1 billion over the biennium) results in the following adjusted baseline tax revenues:

FY18 = \$21,730.0 Million

FY19 = \$22,433.8 Million

#### **With \$1.1 Billion Reduction in Baseline**

FY18 @ 1.66% of GRF Estimate = \$360.7 Million

FY19 @ 1.66% of GRF Estimate = \$372.4 Million

#### **Minimum 5% Loss in Funding of \$19 Million**

(FY17 Update Compared to FY18 Estimate at 1.66%)

## **Attachment D**

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

### ***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

### ***Examples of Lending***

Personal Wi-Fi Devices  
Tablets & iPads  
Projectors for Laptops  
Portable Projection Screens  
DVD & Blu-ray Players  
Musical Instruments  
Digital Materials (eBooks, eAudiobooks, Music, Movies, etc.)  
Artwork  
Bicycles  
Cookware  
Tools  
Toys  
Adaptive Toys for Developmentally Disabled  
Telescopes  
Microscopes  
GoPro Cameras  
Basketball, Footballs, Fishing poles & Tackle Boxes  
Meters (air quality, radon, & power consumption)  
Metal Detectors  
Blood Pressure Kits  
Memory Kits