



**Senate Finance Committee
Sub. House Bill 49 Testimony
June 14, 2017**

Good afternoon, Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell, and members of the Senate Finance Committee. Thank you for the opportunity to speak to you today regarding the Senate's proposed changes to 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 (OLC). I am testifying today on behalf of the OLC, Ohio's 251 public library systems (rural, urban and suburban) and the 8.7 million library cardholders they serve.

We would like to share our thoughts on certain provisions in the substitute bill related to the Public Library Fund (PLF) and workforce development.

Public Library Fund

As we shared in our testimony last week, the PLF is currently set at 1.7% of the state's General Revenue Fund (GRF) and produced \$378.5 million in FY17. (See Attachment A) Both the Governor's proposal and the House's version of the bill reduced the PLF to 1.66%, which would have resulted in a minimum cut of \$17 million in FY18.

The Senate's substitute proposal minimizes the reduction by temporarily setting the PLF at 1.68% of the GRF for FY18 and FY19. We have updated our PLF distribution estimates based on the Senate's proposal. (See Attachment B)

We understand that this is a tight budget and that the Senate has difficult decisions to make. OLC would like to publicly thank you for considering public libraries and the essential services we provide to Ohio's citizens and taxpayers. Minimizing the PLF reduction to 1.68% of the GRF is a step in the right direction. We hope to continue to work with the Senate to strive and return the PLF to the current rate of 1.7% if possible.

Workforce Development

HB 49 proposes leveraging public libraries more in adult education 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 several 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 much needed services at the local level will be a significant challenge if the state decides to reduce funding to Ohio’s public libraries.

In addition, based on a recent broadband study from The Ohio State University, we know that 23% of unemployed individuals in Ohio in 2015 did not have a computer with Internet access in their home. The authors of the report clearly state that, “As the job search process continues to shift online, it is important that unemployed individuals have Internet access at home, or if home access is not available, in public facilities like libraries.”

As state revenues continue to fall below estimates, it is important to remember that library usage increases during economic downturns as people turn to their local library for computer and Internet access, job search assistance, resume building and job skills training.

Conclusion

We would again like to thank the Ohio Senate for considering Ohio’s public libraries in their substitute version of HB 49. **We hope to continue our work with you to maintain the current rate of the PLF at 1.7% of the GRF.**

Thank you for your time. I will be happy to answer any questions.

Attachment A

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	\$378.5*
	*Updated June OLC Estimate for FY 17		

FY17 @ 1.7% of GRF Authorized = \$404.3 Million
FY17 @ 1.7% of GRF Updated June = \$378.5 Million

Minimum 6.3% Loss in Funding of \$25.8 Million

Attachment B

**OLC Estimates
Adjusted for New 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

Subtracting \$500 million from each of these figures (\$1 billion over the biennium) results in the following adjusted baseline tax revenue:

FY18 = \$21,788.0 Million

FY19 = \$22,483.8 Million

With \$1 Billion Reduction in Baseline

FY18 @ 1.68% of GRF Estimate = \$366.0 Million

FY19 @ 1.68% of GRF Estimate = \$377.7 Million

Minimum 3.3% Loss in Funding of \$12.5 Million

(FY17 Update Compared to FY18 Estimate at 1.68%)

FY18 @ 1.7% of GRF Estimate = \$370.3 Million

FY19 @ 1.7% of GRF Estimate = \$382.2 Million

Minimum 2.1% Loss in Funding of \$8.2 Million

(FY17 Update Compared to FY18 Estimate at 1.7%)

PLF % of GRF w/ \$1 Billion Reduction	FY18 PLF Distribution	FY19 PLF Distribution
1.68%	\$366.0 Million	\$377.7 Million
1.7%	\$370.3 Million	\$382.2 Million