



**Senate Finance – Higher Education Subcommittee
House Bill 49 Testimony
May 16, 2017**

Good afternoon, Chairman Gardner, Vice Chair Williams, and members of the Senate Finance Higher Education Subcommittee. 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 (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 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 provide you with the latest information regarding state revenues and the 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 FY 2017.

We understand that the Ohio Senate has difficult decisions to make over the next several weeks 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)

It is important to note that in Fiscal Year 2017 (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 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 General Revenue Fund (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 adjustments for reducing the PLF to 1.66%, declining state revenues and changes to the GRF base, we estimate that **HB 49 could cut state funding to public libraries by an additional 4.3% in FY18** (a \$16.6 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.

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, bicycles, fishing poles and blood pressure kits. 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 D). Kim Fender will share some specific examples of services provided by her library in a few minutes.

With state revenues coming in below estimate, we understand that the state must determine its priorities and where it will focus its resources. Ohio's public libraries are a sound investment. 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 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 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 make additional cuts 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."

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 and job skills training.

Conclusion

We are urging the Ohio Senate to NOT make additional cuts in state funding to Ohio's public libraries in HB 49. We hope that you will make libraries a priority in the state budget as we feel we are a partner with the state in the delivery of services to Ohioans locally. The Ohio

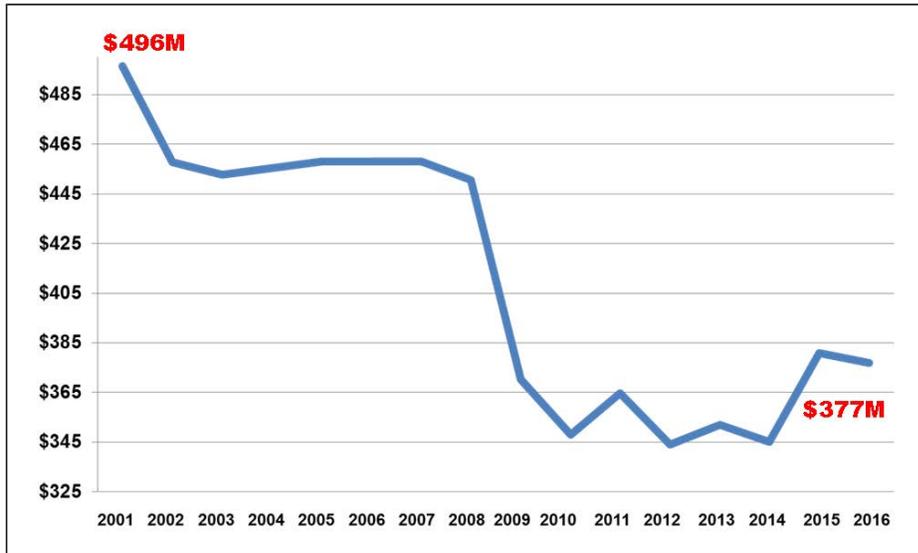
Library Council and Ohio's public libraries are simply asking senators to **maintain the current funding level of the PLF at 1.7% of the GRF.**

We look forward to working with you over the next few weeks to protect state funding to Ohio's 251 public library systems through the PLF and to ensure that their 8.7 million cardholders continue to receive their vital services.

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)

	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	\$379.7*
	*Updated May <i>OLC</i> 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

Subtracting \$400 million from each of these figures results in the following adjusted baseline tax revenues:

FY18 = \$21,888.0 Million

FY19 = \$22,583.8 Million

Considering Adjusted Baseline Tax Revenues:

FY18 @ 1.66% of GRF Estimate = \$363.3 Million

FY19 @ 1.66% of GRF Estimate = \$374.9 Million

Minimum 4.3% Loss in Funding of \$16.6 Million

(FY17 Update Compared to FY18 Estimate at 1.66%)

Minimum 10.1% Loss in Funding of \$41 Million

(FY17 1.7% Authorized 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



Senate Finance – Higher Education Subcommittee

Kim Fender
Public Library of Cincinnati and Hamilton County
May 16, 2017

Good morning, Chairman Gardner, Vice Chair Williams, and members of the Senate Finance - Higher Education Subcommittee.

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 8.7 million Ohio library cardholders we serve. This is not only a great honor but also a tremendous responsibility.

The Public Library Fund (PLF) or Library and Local Government Support Fund as it was known until 2008, has been a primary source of funding for Ohio's public libraries since 1985. The PLF is not a line-item appropriation like the numerous programs and state agencies included in the State budget. 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 1.7% of the GRF for FY 2017. In 2008, the PLF was 2.22%.

I have been a Library Director since 1999. In 2000, my library received the highest level of state funding we ever received. That year we appropriated \$80 million. In addition to our general operating fund of \$60 million we had funding for building maintenance and repair, construction of a replacement branch, and \$4.6 million for technology. Our circulation was 13.3 million.

By comparison, in 2017 we appropriated \$59 million. Our appropriation for technology is \$600,000 and we have no funding for new construction and minimal funding for building maintenance. Our circulation in 2016 was 21.2 million.

So, from 2000 to 2017 we saw a 59% increase in items borrowed, a 26% reduction in library funding (even though we added a local property tax) we deferred \$18 million in building repairs, reduced our hours of operation by 10%, and reduced our staffing by 20%.

At this point we can no longer meet the demand for our services with the funding we have, much less with reduced funding. Our subscription to Hoopla (digital movies, music, eBooks and more) is fully accessed each day as early as 9:30 am. The 50 Treehouse licenses (online advanced technology education courses in coding, web design and app creation) we made available April 18 are all in use and we have a waiting list of more than 100. We didn't even promote this new service – just put it on our website and have already taken it off again. Our branches need \$54 million in repairs and improvements – like handicapped accessibility. Three of our locations are completely inaccessible to individuals with mobility impairment and two others have only limited accessibility.

Our Library, like many others across Ohio, proactively develops new services to meet the needs of our communities. My Library has collaborated with our OhioMeansJobs Center to offer workshops to jobseekers. Since the workshops began last September more than 250 individuals received assistance with resume writing, interviewing and job search skills. A separate program called Breaking Barriers reached 120 individuals with criminal records with information on how to overcome employment barriers. We plan to follow up with participants to determine whether or not the workshops were effective.

We are also working with CincinnatiWorks, a local nonprofit providing career coaching, to expand their service to the Hamilton Avenue corridor. While CincinnatiWorks would provide the staffing, we would provide the office space, computers and children's activities so that single working mothers could receive career counseling to improve their earning potential.

As Michelle mentioned, a recent study by the Ohio State University found that 23% of Ohio's unemployed did not have Internet access at home and referenced public libraries as a place providing this invaluable resource for jobseekers. Statewide, Ohioans utilized the more than 13,400 computers available in public libraries more than 19 million times. In addition, statewide Wi-Fi use in public libraries was more than 10 million sessions. My library saw combined computer and Wi-Fi use of 2.1 million.

In Hamilton County we are also dealing with the opioid crisis. Just last Friday a man collapsed from a drug overdose on the sidewalk outside our Main Library. Regrettably, this was not the first overdose we have seen at our Main Library and it certainly won't

be the last. We're working with the Cincinnati Police Department to develop solutions that will reduce and ultimately eliminate drug overdoses at the Library.

I'm sure you're all aware of the important work public libraries are doing every day. The challenge is how to pay for these services.

When libraries switched to the PLF in 1985, we understood that, as a percent of state revenue, our funding would ebb and flow with state revenue. But, when you reduce the percent of the PLF at a time when revenue is also declining, or remove a tax from the GRF and replace it with a fee outside of the GRF, libraries take a double or even triple cut.

Ohio's public libraries are a great public service and a great value returning more than \$5.00 in economic benefit for every dollar spent.

Now is not the time to make additional cuts to public libraries. During an economic downturn and in the middle of an opioid crisis, public libraries can help to be part of the solution. We urge you to invest wisely by investing in public libraries.

Thank you and I am happy to answer any questions you may have.