

**Ohio Library Council
BOARD OF DIRECTORS**

ITEM NO.: **5.E.1**

MEETING DATE: **July 19, 2024**

SUBJECT: **Government and Legal
Services Report**

SUBMITTED BY: **Jay Smith**

REPORT FOR INFORMATION

PLF Update

According to the Office of Budget and Management (OBM), state tax receipts came in \$55.3 million (or – 2.1%) below estimate in June. Preliminary data shows that the state closed Fiscal Year 2024 with a \$1.1 billion cash balance even though overall tax revenues came in \$484.7 million (or – 1.7%) below estimates. The state was able to stay structurally balanced due to high investment earnings and low spending.

The Ohio Department of Taxation (ODT) posted the July 2024 Public Library Fund (PLF) distribution of \$45,284,931 – which is \$934,001 (or – 2.02%) below ODT’s original estimate that was issued in July 2023; and \$869,749 (or – 1.88%) below ODT’s updated estimate issued in December 2023. OLC is continuing to monitor state revenues and we hope to have more information this fall as OBM updates their FY 2025 state revenue estimates for purposes of the next state budget.

A look at the PLF distribution for the past three years and a link to an Excel spreadsheet listing each county’s distribution total for July 2024 can be found on the [OLC website](#).

ODT Posts Final CY 2024 PLF Certification Update

The Ohio Department of Taxation (ODT) recently issued their final estimates for the Public Library Fund (PLF) distributions for each county for Calendar Year 2024 (CY 2024).

Overall, ODT is now estimating the total CY 2024 PLF distribution will be \$480,202,810, which is \$11,578,946 less than the original ODT certification issued in July 2023, and almost \$30 million less than the actual 2023 total distribution.

Please read the certification letter for your county entitlement carefully. The entitlement estimates are based on 1.70 percent of projected revenues (net of the transfers) from the state’s General Revenue Fund (GRF) tax sources, multiplied by your county’s computed share of the total PLF for July-December 2024. These are county-by-county estimates and not detailed down to the library system or building level. As you know, each county has a different distribution formula. Therefore, neither OLC nor the ODT can issue estimates for each individual library system.

As a reminder, by statute, ODT is required to provide an initial certification in July for the following calendar year. That certification is then updated in December and a final update is required in June of the actual calendar year. Therefore, the final statutorily required certification for CY 2024 was just provided and no further updates are planned by ODT for the CY 2024 estimates. The next certification issued by ODT will be in July 2024 for CY 2025.

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As mentioned in previous communications, OLC is concerned about the PLF and state revenues being down. Please be sure to share this information with your legislators over the next four months when they are back in your district and out on the campaign trail.

Joint Committee on Property Tax Review and Reform

This joint legislative committee has continued to meet throughout the spring and hold hearings with invited testimony from a variety of stakeholders including county auditors, schools, county commissioners, townships trustees and mayors. Business groups including the Ohio Chamber, Business Roundtable, and NFIB also provided testimony to the committee. Additionally, OLC offered testimony on May 22. At this time, it does not appear that the committee will have any additional hearings and will be issuing a report by the end of the year. More will be discussed at the Board Meeting.

HB 257 - Virtual Meetings Bill

HB 257 is legislation sponsored by Rep's Hoops (R-Napoleon) and Claggett (R-Newark) to provide certain public boards, including library boards, with the opportunity to have virtual meetings. Since its introduction a few amendments have been added to help clarify certain provisions of the bill. One of the changes includes a requirement for public bodies to define in their virtual meeting policy what would constitute a "major nonroutine expenditure" or "significant hiring decision," which are factors that can trigger a requirement to meet in person.

Another change requires a virtual meeting notification to be distributed 72 hours prior to the meeting with an agenda. Objections to agenda items must be sent to the president of the board at least 48 hours before the meeting. If two or more members of the board object to an agenda item, the issue can be discussed, but the public body cannot take action on that item during the virtual meeting. HB 257 was voted out of the House on Nov. 29 and is now being heard in the Senate Government Oversight Committee where it has had two hearings. Currently, trustees of library boards are still required to have their meetings in-person.

HB 556 – Criminal Liability for Teachers and Librarians

House Bill (HB) 556, sponsored by Rep. Adam Mathews (R-Lebanon), seeks to create criminal liability for certain teachers and librarians for the offense of pandering obscenity. The bill further defines a "school librarian" to include librarians employed in a school district public library. Outside of Rep. Mathews being the sponsor of this bill, there are no additional co-sponsors. Soon after the legislation was introduced, OLC was on the phone with Rep. Mathews' office seeking clarification on what was introduced. More will be discussed at the Board Meeting.

HB 622 – Materials Harmful to Juveniles

House Bill (HB) 622, introduced by Rep. Al Cutrona (R-Canfield), is legislation seeking to mandate that all public libraries incorporate a policy for children under the age of 18, to have parental consent to obtain or view any material that is deemed "harmful to juveniles" under ORC 2907.01. The legislation would also require all libraries to conceal from viewing certain materials by placing them behind "blinder racks," wrapping the material, covering the material, or locating it so that it is not open to the view of juveniles.

If any resident of the state believes that a library is not in compliance, a complaint could be filed with the State Library Board, who would then oversee investigating the library. Based on the investigation, if a library is found to not be complying, a report would be issued to the

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county treasurer with directions to withhold distributions from the county public library fund until the library complies. More will be discussed at the Board Meeting.

Legislature on Summer Break

The Ohio General Assembly has now begun their summer break following a long day at the statehouse. On June 26, the House and Senate passed several pieces of legislation including House Bill (HB) 2, which includes capital appropriations and the \$700 million One-Time Strategic Community Investment Fund (OTSCIF). HB 2 also includes a spending package with \$3.5 billion in new capital appropriations, \$150 million for community projects, and more than \$2 billion in reappropriations to continue previously authorized project spending.

HB 2 was signed by the Governor and became effective immediately. Those libraries that received OTSCIF funding will be contacted by OBM on how to begin drawing down their funds.

Additionally, now that the legislature is taking a break from committee hearings and voting sessions in Columbus, this is a great time to meet with your legislators back in the district.

While some of you may be disappointed that your project did not receive funding, I want to assure you that there is significant legislative support for Ohio's public libraries, and we need to keep that momentum moving forward.

This fall, OLC will be traveling around the state hosting meetings with library directors, fiscal officers and trustees, setting the stage for next year's biennial state budget. Believe it or not, that process has already begun.

AOS Bulletin 2024-005 – New Fraud Training

The AOS recently released Bulletin 2024-005 regarding fraud reporting and training. Many of you may remember Auditor of State Keith Faber mentioning this new training during his remarks at OLC's Library Fiscal Officer/CPIM Conference in April. The new training requirement applies to all political subdivisions – including public libraries.

Current public employees will be required to complete the training within 90 days of the date listed in the bulletin (beginning Oct. 1 for public libraries) unless good cause exists for completion at a later date.

The 8-Minute On Demand Training Video, Employee Acknowledgement Forms, Employer Fraud Training Tracking Spreadsheet, and Frequently Asked Questions regarding these requirements are available on the [AOS website](https://ohioauditor.gov/trainings/fraud.html) at ohioauditor.gov/trainings/fraud.html

The Bulletin provides details about the requirements to report fraud, theft in office, or misuse or misappropriation of public money pursuant to Ohio Revised Code (ORC) §4113.52 as amended by Ohio Senate Bill 91 of the 135th General Assembly. In addition, ORC §117.103 was amended by Ohio House Bill 33 of the 135th General Assembly requiring the Auditor of State to develop training material detailing Ohio's fraud-reporting system and the means of reporting fraud, waste, and abuse and required to be viewed by every employee and elected official of a political subdivision, state agency, and member of the general assembly.