

House Ways and Means Committee

HB 400 Testimony

May 26, 2010

Deborah F. O' Connor, Director, Geauga County Public Library on behalf of
The Ohio Library Council

Chairman Letson, Vice-Chairman Winburn, Ranking Minority Member Huffman, and Members of the Committee, I am Deborah O' Connor, Director of the Geauga County Public Library and I am here to speak about the impact of House Bill 400 on Ohio' s public libraries.

Thank you for this opportunity to very briefly share with you some background on public library funding and the potential impact of House Bill 400 on that funding. As I am sure you are aware, the substantial portion of funding for local public libraries in Ohio comes from the state. Since 1933, the state has funded Ohio' s public libraries, beginning with the intangibles tax, later replaced by the Library and Local Government Support Fund (a percentage of state income tax earmarked for public libraries) in 1986. The purpose of the Library and Local Government Support Fund was to begin equalization of library funding throughout Ohio, guaranteeing a solid level local library service for all citizens of Ohio, no matter their geographic location. This guarantee of dependable funding has provided all of Ohio' s residents with the local library service needed to insure that they are well informed citizens with adequate materials, hours open, and electronic resources to enable them to access to the information needed to live their lives.

In 2008, the Public Library Fund was created to replace the Library and Local Government Support Fund. Instead of relying on just the income tax, the Public Library fund is a percentage of the state' s total general tax revenue. At the time of its initiation, it was designed to equal the funding available via the Library and Local Government Support fund. As you know, the primary sources of general tax revenue are the income tax, sales tax, and other consumption taxes. Income taxes provide 43% of the Public Library Fund' s revenues. House Bill 400's proposal to eliminate the income tax over a 10 year period will have a devastating effect on Ohio' s public libraries and the citizens who rely on their libraries for everything from educational resources, Internet access, reading, listening and viewing materials to literacy programs, employment assistance, and services to special populations such as preschoolers, seniors, local small businesses and state government.

Until recently, most public libraries in Ohio relied on the Public Library Fund as their only source of revenue. In 2005, only 24% of libraries in Ohio had local property taxes to assist with their support. Following the significant reductions in the Public Library Fund as a result of the poor economy and the ailing state budget, a number of libraries appealed to their local taxpayers for assistance, resulting in additional libraries receiving

local voted millages. Following the November 2009 elections, the number of local public libraries with voted millages rose to 48%, still less than half. These local taxes are generally quite small, about 1 mill, and serve to supplement the Public Library Fund. For almost all of these libraries, the Public Library Fund is the largest source of revenue by far. In some of Ohio's poorest counties, local taxpayers would have to approve 47 mills in order to equal the Public Library Fund.

It is clear, therefore, that significant reductions in the Public Library Fund would be devastating to many Ohio public libraries. Should House Bill 400 be enacted, the loss to public libraries in the first year alone would be \$17,250,000, with a total loss over the ten year period of \$172,500,000. Implementing the provisions of House Bill 400 would reduce state funding for public libraries below the level it received in the second year of the Library and Local Government Support Fund - 1987! In 1987, public libraries received \$207,000,000 from the state; in 2020, they would receive \$203,000,000.

The American public library is the quintessential American great idea. Everyone pays a little and everyone receives so much. Only in a great country like ours could such a concept have been established and continue until this day. Further, a statewide opinion poll conducted in February of this year reveals that 86% of Ohio residents believe that public libraries are a good value compared to other public services and 78% believe that their local library does a good job with the tax money it receives. We are very good at pinching pennies, cooperating with other libraries and organizations, and maximizing the value for every dollar we spend.

I have worked in libraries for 43 years, and have been a Library Director for more than 25 of those years. I can testify that public libraries are busier and more vital to their constituents than ever before. Recent downturns in the economy have made the public library the only source of Internet resources, including those from state government and potential employers, for many of our residents who cannot afford to purchase or replace computers or to pay for any speed Internet access in their homes. Small businesses are using our database resources more than ever. Our circulation, reference, and program attendance numbers are at all time highs. Families are making the library their resource for entertainment and learning. Those of us who have made public libraries our vocations and our passions will always strive to find ways to meet the needs of our public. An additional loss of 43% of state funding for all public libraries will surely result in closing many public libraries throughout Ohio. For the Geauga County Public Library in the first year alone, our reduction would require the Library Board to make cuts significant enough to close one of our branches. Having made substantial cuts in response to the significant reduction in the Public Library Fund in 2009 and 2010, a loss of this size will result in closing one or two of our library locations.

In closing, I would like to add a personal comment. I implore you to consider the public library, limited by its ability to receive funding, and the millions of library users who rely on us being open, with trained staff to help them, and with adequate resources to meet their needs.

Thank you for allowing me the honor of sharing with you some possible unintended consequences of House Bill 400.

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