## Ohio Library Council BOARD OF DIRECTORS

## ITEM NO.: 5.E.1

#### SUBJECT: Government and Legal Services Report

MEETING DATE: May 16, 2025 SUBMITTED BY: Jay Smith

# **REPORT FOR INFORMATION**

#### PLF Update

The Ohio Department of Taxation (ODT) posted the May 2025 Public Library Fund (PLF) distribution of \$45,076,823 – which is \$1,046,999 (or +2.38%) above ODT's original estimate that was issued in July 2024; and \$971,762 (or +2.20%) above ODT's updated estimate issued in December 2024. This brings the fiscal year (FY) 2025 PLF Year-to-Date to \$455,483,127 and the calendar year (CY) 2025 PLF Year-to-Date to \$204,712,603.

According to the Office of Budget and Management (OBM), overall state tax receipts for the month of April came in 0.8% or \$20 million above estimates. So far, for FY25, state tax collections are \$550 million or 2.4% ahead of expectations. This is especially important as the state budget discussion is underway in the Ohio Senate.

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 May 2025 can be found on the OLC website.

## HB 96 State Budget Update

The Ohio House passed their version of the budget on April 9<sup>th</sup> by a vote of 60-39. During the voting session Rep. Jack Daniels (R-New Franklin) addressed Ohio's public libraries in his floor speech – both good and bad as well as discussing carryovers and consolidation. Please see the video on the <u>Ohio Channel</u> from <u>2:05:18 to 2:13:16</u>. This is not something new as we have been hearing this in private conversations over the past several weeks. However, it is important for directors and fiscal officers to understand what this means for purposes of our discussions in the Senate. When they reference consolidation, they are not just referring to merging independent library systems together under one system in each county. The bigger picture conversation is about changing the organizational structure so that it is similar to other states where libraries are under city or county government.

PLF – Amended Sub. HB 96, as passed by the House, proposes to create a line-item appropriation, instead of a percentage of the General Revenue Fund (GRF), to provide state funding to Ohio's public libraries. This means the Public Library Fund (PLF) would no longer receive 1.7% of the state's GRF as stated in permanent law. Instead, the PLF would be a line-item appropriation and vulnerable for elimination in the next state budget. The House did not use the same approach with the Local Government Fund (LGF). They chose to keep the Governor's proposal of setting the LGF at 1.75% of the GRF. It is important to share that we spoke with House and Senate members from both sides of the aisle who clearly indicated that this change – changing from a percentage of GRF to a line-item appropriation – is setting the stage for public library funding from the state to be eliminated in future budget legislation.

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PLF Distribution Formula – The per capita distribution model proposed in the substitute bill was changed in the omnibus amendment. The proposed line-item appropriations are \$490 million in FY26 and \$500 million in FY27. It's important to note that this proposal compared to Governor DeWine's proposal still falls \$90.8 million short for public libraries over the biennium. In addition, even though state tax receipts for FY25 are running ahead of estimates, the House is currently estimating the PLF will receive \$493.4 million in FY25 while LSC and OBM are estimating \$530 million in FY25.

OPLIN & Library for the Blind – Under current law, funding for both OPLIN and Library for the Blind is deducted from the PLF each year. The House version of the budget proposes making those deductions directly from the GRF and not the PLF. We believe this where they are counting/shuffling their \$7.22 million "increase" over the biennium under their distribution spreadsheet. Currently, the state deducts \$4.9 million each year from the PLF for OPLIN (\$3,689,788) and Library for the Blind (\$1,274,194). The House simply moved that deduction to the GRF instead of the PLF. This is part of the reason they are saying it is an "increase."

Library Materials - The House budget includes language that would require a public library to place material related to sexual orientation, gender identity, or expression in a portion of the library that is not primarily open to the view of minors.

Library Board Terms - The House budget includes language that reduces the number of years a trustee serves from seven to four years. This provision would apply to library trustees serving on a school district free public library, county library district, or regional library district.

Menstrual Products - The House budget prohibits a government entity, including public libraries, from placing menstrual products in the men's restroom of a public building.

Imagination Library - The House budget proposes an increase to the Imagination Library from \$8 million to \$8,250,000 in each year of the biennium. This is a decrease when compared to the Governor's proposal of \$3.5 million over the biennium or \$10 million each year.

County Budget Commissions - The House budget makes a change in the makeup of the County Budget Commission by removing county prosecutors and replacing them with a county commissioner. Other members of the commission would remain, including the county auditor and county treasurer.

More will be discussed at the board meeting.

## HB 137 Levy Authority

HB 137, introduced by Rep. <u>Brian Lorenz</u> (R-Powell), would allow a library taxing authority to decide <u>not</u> to move forward with a library levy request. This means they could prevent public libraries from going to the ballot and deny voters a say in their local property taxes. HB 137 would give sole discretion to a library's taxing authority with regards to moving a levy request to the county board of elections. HB 137 <u>Bill Language</u>. OLC is strongly opposed to this legislation and has met with Rep. Lorenz. The bill had sponsor testimony in the House Local Government Committee on March 19.

## HB 28 Replacement Levies

The Ohio House passed HB 28 on March 19. HB 28 will eliminate the option for a political subdivision, including libraries, to seek a replacement property tax levy. The bill is sponsored by Reps. Adam Mathews (R-Lebanon) and Thomas Hall (R-Middletown). OLC opposed similar legislation during the last general assembly and will continue to oppose the proposal in HB 28 during the 136<sup>th</sup> General Assembly. The bill is now before the Senate Ways and Means Committee.

#### Regional Trustee Events

Over the last couple of months OLC hosted several events with a focus on how library trustees and administrators can be effective advocates, especially as the Ohio legislature is working on the FY26-27 state budget. OLC staff shared the most up-to-date information on the budget process, its implications for the Public Library Fund, and offered guidance on how library leaders can effectively engage in the discussion. Trustee Dinners were held in Cambridge, Bowling Green, and Independence. A Trustee Lunch was held in West Chester.

## OLC Library Legislative Day on April 8

Library Legislative Day was a great success this year with more than 300 attendees filling the Statehouse Atrium. The Showcase in the Rotunda was also well received. We want to thank everyone who participated and advocated for libraries. It truly makes a statement when we have so many passionate members.