

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
77 South High Street, 9th Floor, Columbus, OH 43215-6136 ♦ Phone: (614) 466-3615
♦ Internet Web Site: <http://www.lsc.state.oh.us/>

BILL: **S.B. 345** DATE: **November 13, 2008**
STATUS: **As Introduced** SPONSOR: **Sen. Goodman**
LOCAL IMPACT STATEMENT REQUIRED: **Yes**
CONTENTS: **To create county law library resources boards in each county and establish the Statewide Consortium of County Law Library Resources Boards**

State Fiscal Highlights

STATE FUND	FY 2009	FY 2010	FUTURE YEARS
Statewide Consortium of County Law Library Resources Boards Fund			
Revenues	- 0 -		Gain in fine and fee revenue collected by county law library resource boards
Expenditures	- 0 -		Increase in State Consortium Board costs

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

- The bill creates a five-member Statewide Consortium of County Law Library Resources Boards and prescribes its duties, which are generally to serve as a clearing house and coordinating body for county law library resources boards.
- Beginning in calendar year 2011, counties are required to transfer 2% of the funds deposited in the County Law Library Resources Fund to the Statewide Consortium of County Law Library Resources Boards Fund. The bill allows for this rate to be adjusted with the approval of a majority of county law library resources boards. As well as paying for the operations of the Consortium, the fund may also be used to issue grants to individual county law library resources boards.



Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Counties			
Revenues		- 0 -	
Expenditures	- 0 -	Increase in county law library funding costs, as counties would bear full responsibility for law library operating costs	Potential increase in law library funding costs depending upon law library appropriations approved by county commissioners

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The primary local cost in the bill involves a provision requiring counties to pay 100% of the operating costs of county law libraries in calendar year 2009, in effect altering a four-year transitional funding mechanism established in H.B. 66, the main operating budget act for FY 2006 – FY 2007, which would have reduced the counties' burden for paying for law libraries.
- For calendar year 2010 and thereafter, law libraries will be entities of the county and all expenses of these boards are to be budgeted and appropriated as if they were public entities.
- The bill creates a county law library resources board in each county to provide legal research, reference, and library services, replacing the current county law library associations that provide these services. This could result in cost increases to counties which, outside of the statutorily required fines, do not contribute money from the county treasury to assist in county law library funding. In most cases, these appear to be the smaller counties.
- Because these boards would now be public entities, the bill creates a County Law Library Resources Board Fund in each county treasury in order to receive the fines and penalties that pay for county law libraries currently.
- The bill permits adjacent counties to form Multi-County Law Library Resources Boards. This authority would allow counties to combine services, thereby reducing the costs of operating law libraries in those counties. Presumably, this would be a desirable option for smaller counties.

Detailed Fiscal Analysis

Background

County law library funding structure

County law libraries receive funding from three sources: (1) the county treasury, (2) fines, penalties, and forfeited bail, and (3) private funds such as grants. As part of the funds coming from the county treasury, the county board of commissioners was required to furnish space, utilities, and bookcases and pay the compensation of one librarian and up to two assistants. However, H.B. 66 of the 126th General Assembly, the main operating budget act for FY 2006 – FY 2007, lessened the burden on counties by creating a graduated scale whereby the responsibility for payment of personnel and operating costs were to have shifted from boards of county commissioners to law library associations. The transition was to have taken place over a four-year period beginning in 2007 and ending in 2010.

Changes in county law library governance and funding

State consortium of law library resources boards

The bill creates a state consortium of law library resources boards, which is comprised of the county law library resources board of each county. Additionally, the bill creates the Statewide Consortium Board, consisting of five members. The Board is responsible for (1) negotiating contracts for counties for the purchase and obtaining of legal research materials, (2) cataloguing existing resources held by each county, (3) developing and recommending guidelines for the collection of and access to legal resources, (4) providing consultation and assistance to counties, and (5) issuing an annual report of its activities to every county.

The Board is funded through the transfer of 2% of funds deposited into the County Law Library Resources Board Fund of each county. The total amount deposited into the fund will vary every year largely because law libraries are primarily funded through fines and penalties imposed by courts. For example, the Franklin County Law Library would have deposited approximately \$19,000 into this fund based upon its calendar year 2007 receipts from fines and penalties. The Board is also permitted to increase the percentage deposited into the Statewide Consortium of County Law Library Resources Boards Fund if a majority of county law library resources boards approve. The Board may also use this fund to issue grants to individual county law library resources boards.

County law library resources boards

S.B. 345 replaces the current county law library associations with county law library resources boards, which would be public entities beginning in calendar year 2010. Currently, most county law library associations are set up as nonprofit agencies operated by independent boards. The bill changes the transitional funding arrangement outlined in H.B. 66 and summarized above by requiring counties to pay 100% of the operating costs of the library in calendar year 2009 instead of the 40% cost share counties were originally required to pay. The result will be an increase in costs for 2009, as well as 2010 and thereafter, when these boards

become county entities. As noted above, law libraries receive funding from three primary sources: (1) the county treasury, (2) fines, penalties, and forfeited bail, and (3) private funds. For those counties which do not contribute money to assist in the funding of county law libraries, making the law library a county entity could result in increased costs.

Because the bill establishes county law library resources boards as county entities, it requires each county to establish a County Law Library Resources Fund. The funding that law libraries currently receive will be deposited into this fund beginning in calendar year 2010. As part of this new arrangement, county law library resources boards would be required to submit an annual estimate of revenues and expenditures in each calendar year, and submit this estimate to the county commissioners before any funds can be appropriated.

Additionally, in 2010, once law library boards become county entities, they will no longer have to return any unused sums appropriated by counties as under current law. This change will allow moneys to accrue in these newly created County Law Library Resources Funds. For example, the Franklin County Law Library received \$955,544 in fine receipts plus \$82,374 in salary and benefit support from Franklin County in 2007, \$28,058 of which it was required to return to the Franklin County general fund at the end of the calendar year.

Multi-county law library resources boards

The bill permits, upon the recommendation of the county law library resources boards of two or more adjacent counties, counties to form multi-county law library resources commissions. This provision could allow counties to collaborate for services, thereby reducing costs to all counties involved in the association. Presumably, the counties that form such associations would be those that could possibly experience cost increases as a result of making law libraries county entities. The provision would most likely appeal to smaller counties.

LSC fiscal staff: Terry Steele, Budget Analyst

SB0345IN.doc/lb