

RESPONSE to Senate Bill 283 Library Governance

SB283 raises many questions and provides few answers, and yet has the power to fundamentally change a beloved and trusted institution that has existed in Indiana since the 1800s. As it is currently written, this legislation would have major implications for library operations as it removes the library board's governing authority (page 29, line 34) and removes the library's standing as a municipal corporation (page 13, line 40).

FISCAL BODIES HAVE OVERSIGHT OF LIBRARIES

- Fiscal bodies appoint Library Board members and have the authority to set guidelines for the appointment process, establish a level of accountability for their appointees, and set expectations of communication regarding library operations.
- Library Boards seeking to issue bonds or new debt must gain approval from their fiscal body.
- In addition to levy limits tied to the maximum levy growth quotient, libraries are also subject to total budget limits as outlined in Indiana Code. Libraries that propose budgets exceeding the allowed maximum must submit their budgets for binding review by their fiscal body.
- After budgets are approved, libraries needing to spend additional monies beyond the max budget may not do so without fiscal body approval of additional appropriations.
- HEA1343 (2019) provides significant fiscal oversight of library cash reserves. Libraries with cash reserves exceeding 150% of their annual operating budget become subject to binding review and potential budget reductions with a 10% maximum annual decrease.

CURRENT LIBRARY BOARD GOVERNANCE

- Library Board governance includes fiscal duties, policy approval, strategic planning, and ensuring public support and funding for library services, staffing, and facilities.
- As sworn public servants who must live within the library's service boundaries, Library Board members conduct all business in public meetings, comply with open door laws, and follow local, state, and federal laws.
- Like other units of government, libraries follow the same state-proscribed budget development process that requires public notice, public hearings, and adoption, while providing opportunity for taxpayer input and objection.
- Library Boards ensure compliance with State Board of Accounts and Department of Local Government Finance regulations, including annual financial reports, regular audits, and fiscal transparency via Gateway Indiana.

SB283 IMPACT

- SB283 creates an unnecessary additional level of bureaucracy by shifting complex governance responsibilities from experienced Library Boards to County authorities.
- Counties should seek clarification on the legal and financial implications of existing library debt and potential impact on future bond issuance and bond ratings.
- Detailed financial internal controls would be diluted by shifting fiscal duties to a larger organization.
- SB283 doesn't address sustainability of library services.
- Other legal complications including concerns of current litigation, contracts, and agreements.