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Indiana Library Federation Raises Concern Over Budget Limits That Could Reduce Library Services

New Maximum Levy Growth Quotient (MLGQ) provision restricts growth for public libraries to under 50% of what other local units can access, potentially forcing service reductions and reduced hours at a time when affordability challenges make libraries more essential than ever.

The Indiana Library Federation (ILF) is deeply disappointed with the final legislative action taken during the 2026 session that will significantly affect Indiana's public libraries.

Language affecting public libraries, which originated in Senate Bill 8 and Senate Bill 4, was ultimately added to House Bill 1406 through the conference committee process on the final day of the legislative session.

While library leaders engaged in advocacy and discussions with legislators throughout the session, no opportunity for public testimony was allowed during the second half of the legislative session. Additionally, key provisions included in the final bill were never introduced or publicly debated prior to the conference committee report.

"We appreciate the legislators who took time to meet with library leaders and consider our concerns throughout the session," Vanessa Martin, ILF Advocacy Co-Chair stated "However, we are deeply dismayed that the final language affecting libraries was adopted without a full public process."

ILF is concerned about the Maximum Levy Growth Quotient (MLGQ) provision included in the final legislation. First introduced in Senate Bill 4 during an amend-and-vote-only committee action, the provision effectively limits library budget growth to less than 50 percent of the growth permitted for other local governmental units. It also adds administrative deadlines and penalties that apply only to public libraries, creating new requirements that they must meet or face significant consequences. Public libraries that exceed the growth threshold or fail to

meet these requirements risk being placed under binding review, which may force them to cut services and reduce hours, even when community needs justify additional resources.

"At a time when many Hoosiers are struggling with affordability, public libraries provide critical access to education, technology, and community resources that should not be artificially limited by punitive budget restrictions," said Julie Wendorf, ILF Advocacy Co-Chair.

New provisions added in conference committee apply exclusively to public libraries and reduce their allowable budget growth by requiring libraries that seek 50% or more of the Maximum Levy Growth Quotient (MLGQ) to submit proposed budgets and property tax levies to their fiscal bodies before September 2 each year, a requirement that does not apply to any other local governmental units. If a library under binding review fails to meet that deadline, its property tax levy would be calculated using 49% of the previous year's levy, rather than the 80% calculation currently used for other local government units. The legislation unfairly singles out public libraries for punitive measures, even though other public entities with appointed boards are not subject to the same restrictions.

Indiana libraries serve millions of residents annually by providing access to early childhood literacy activities, workforce development resources, high speed and reliable internet and wi-fi, lifelong learning opportunities, meeting spaces, and connections to community services. According to the Indiana Department of Local Government Finance (DLGF), in 2024, Indiana public libraries represented 3.99% of the total levy of all local units and only 2.08% of the overall debt service levies. Indiana's public libraries provide an enormous return on investment for the tax dollars entrusted to them.

ILF remains committed to working with policymakers to ensure fiscal accountability while protecting the ability of libraries to meet community needs. "We remain committed to constructive dialogue with state leaders. Our goal continues to be ensuring that Indiana's libraries remain strong, sustainable institutions serving communities across the state." stated Vanessa Martin, ILF Advocacy Co-Chair.

About the Indiana Library Federation

The Indiana Library Federation represents public, school, academic, and special libraries throughout Indiana and advocates for policies that ensure all Hoosiers have access to library services.