RESPONSE TO SENATE BILL 8: LIBRARY BUDGETS

Jan. 28, 2026

SB 8 Negatively Impacts Indiana Public Libraries

- SB 8 would significantly alter library budget governance without clearly identifying a problem it is meant to solve.
- It creates a new binding review threshold for libraries at or above 50% of the MLGQ but removes existing protections that cap annual budget reductions at 10% (IC 6-1.1-17-20.4).
- By removing existing statutory protections, SB 8 exposes libraries to potentially severe budget reductions, putting financial stability and the ability to maintain essential operations at risk.
- SB 8 increases fiscal uncertainty at a time when libraries are already under budget pressure from SEA 1 (2025).
- SB 8 fails to address the long-term sustainability of essential library services, including early literacy, workforce development, and lifelong learning programs.

Expansion and Duplication of Oversight

- Libraries are already subject to oversight: Fiscal bodies appoint boards and approve major financial actions, while the state enforces transparency and accountability standards, conducts audits, and requires fiscal reporting.
- SB 8 disregards the robust fiscal controls already governing libraries. Current law requires approval from elected fiscal bodies for **any** issuance of debt, **any** additional appropriations, and **any** budget increase above the state-established growth quotient.
- HEA 1343 (2019) established measured oversight through binding review provisions and a 10% annual cap on budget reductions for libraries with reserves exceeding 150% of operating budgets, while preserving local governance.

Fiscal Oversight Is Well Established

- Library budgets follow the same public processes as other local government units, including public notice, hearings, and opportunities for taxpayer input.
- Existing law includes enforceable fiscal safeguards, such as binding review and mandatory budget reductions when reserve thresholds are exceeded.
- In 2024, library budgets accounted for less than 4% of the total statewide levy for all governmental units.

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