

# Fiscal Note & Local Impact Statement

122<sup>nd</sup> General Assembly of Ohio

BILL: Am. H.B. 118 DATE: October 21, 1997

STATUS: As Reported by the House State Government SPONSOR: Rep. Terwilleger

LOCAL IMPACT STATEMENT REQUIRED: No — No local cost

CONTENTS: Establishes in statute the Ohio Public Library Information Network and its governing board

## State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FY2000
<b>General Revenue Fund</b>			
Revenues (LIB)	\$100,000 gain	\$100,000 gain	\$50,000 gain
Expenditures(OPLIN)	\$100,000 increase	\$100,000 increase	\$50,000 increase

- The State Library (LIB) would recover costs for services it currently provides free of charge to the Ohio Public Library Information Network (OPLIN). OPLIN would therefore incur costs for being an independent entity.
- The State Library would gain revenues by approximately \$100,000 per year in FY 1998 and FY 1999 and by approximately \$50,000 in FY 2000. OPLIN would incur comparable cost increases in these years.
- This proposal does not change current costs to state government; it only changes the entity that pays for those costs.
- Since the bill abolishes OPLIN and its board on December 31, 1999, the fiscal impact on OPLIN and the State Library would cease to exist on that date. OPLIN administration would be reabsorbed into the State Library.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
<b>Library Districts</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Minimal increase	Minimal increase	Minimal increase

- Local public libraries would incur minimal costs to establish and enforce procedures designed to control Internet access to obscene materials or performances. Libraries that do not comply with this policy would be denied free Internet services provided by the OPLIN.
- A library district is not a local government entity included in the local impact statement requirement law.





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## ***Detailed Fiscal Analysis***

Temporary law in Am. Sub. H.B. 117 of the 121<sup>st</sup> General Assembly established the Ohio Public Library Information Network (OPLIN – an information network designed to link Ohio’s 250 public library systems). It also established the Ohio Public Library Information Network Board, consisting of 11 members, to oversee operations of OPLIN. The State Library is designated as fiscal agent for OPLIN and has fiscal accountability for the expenditures of funds.

The bill establishes in statute OPLIN and its governing board. Among other things, the OPLIN board is empowered to have exclusive control of the expenditures of all moneys held in the OPLIN’s name; to designate positions in the unclassified civil service for which it may employ persons; to purchase or lease vehicles for the operation of the network; and to receive and expend grant and gift moneys on the OPLIN’s behalf. Finally, the bill abolishes OPLIN and its governing board on December 31, 1999 by repealing sections of 3375.64, 3375.65, 3375.66, and 3375.67 of the Revised Code on that date.

OPLIN has kept its administrative costs at about 4% of its total funding by contracting out most of its tasks over the last two years; it currently has two full-time staff members and 20 outstanding contracts. OPLIN’s low administrative costs can partially be explained by in-kind services provided by the State Library. As OPLIN’s fiscal agent, the State Library has devoted about 1.5 FTE equivalent employees in handling OPLIN related fiscal activities. The State Library has also devoted other staff resources to support OPLIN. For example, the State Library has devoted a consultant to develop and maintain the web page for OPLIN. In FY 1997, in-kind services provided by the State Library are estimated at \$100,000.

According to both the OPLIN and the State Library spokespersons, current practices are likely to continue regardless the status of OPLIN. OPLIN will continue to contract out most of its tasks and the State Library will continue to provide support to OPLIN. However, when it becomes an independent entity, OPLIN would contract with the State Library for services. Therefore, the State Library would recover costs for services it currently provides for free for approximately \$100,000 per year in FY 1998 and in FY 1999 and for approximately \$50,000 in FY 2000 (the bill abolishes OPLIN and its board on December 31, 1999—the middle of FY 2000). OPLIN would accordingly incur comparable cost increases in these years. The OPLIN spokesperson indicates that OPLIN will not purchase any vehicles. The OPLIN board members and staff currently receive travel mileage reimbursements and this practice will continue.

The bill requires the OPLIN board to adopt a policy that requires each network library to establish and enforce procedures designed to keep persons who use the library’s Internet services from having access to obscene materials or performances. Local public libraries could incur minimal costs to comply with this policy. They would lose free Internet services provided by the OPLIN if libraries do not establish and enforce such procedures. The budget bill of the 122<sup>nd</sup> General Assembly has already enacted the provision to require local libraries with OPLIN computer terminals to adopt policies that control access to obscene and illegal materials. The OPLIN board is also required by the budget bill to condition provision of its funds, goods, and services on compliance with these policies. The budget bill appropriates about \$12.2 million for OPLIN (GRF 350-400) in the FY 1998-FY 1999 biennium, a 236.6% increase over the previous biennial expenditure levels. These moneys are to be used for network administration (including the addition of one new staff), telecommunications linkages with the 250 public library systems, and contracts for the provision of electronic database resources.

Since the bill abolishes OPLIN and its board on December 31, 1999, its fiscal impact on OPLIN and the State Library would cease to exist on that date. OPLIN functions would revert to the State Library (such as contracting for database services).

□ *LBO staff: Wendy Zhan, Budget/Policy Analyst*

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