

RESPONSE to SENATE BILL 8: LIBRARY BUDGETS

SB 8 Negatively Impacts Indiana Public Libraries

- SB 8 raises more questions than it answers. As written, the bill would significantly change how public library budgets are governed without clearly identifying a problem it is intended to solve.
- Dismantling existing statutory guardrails could expose libraries to punitive budget actions that significantly reduce funding and threaten continued operations.
- SB 8 increases financial uncertainty for public libraries at a time when budgets are already under pressure from SEA 1 - 2025.
- The bill fails to address the long-term sustainability of libraries to provide essential services, including early literacy, workforce development, and lifelong learning programs.

Expansion and Duplication of Government Oversight

- Conflicting language regarding fiscal bodies could result in some libraries being subject to multiple oversight authorities while others have no clear oversight, creating inconsistency across the state.
- Libraries are already subject to multiple layers of oversight. Elected officials appoint board members and may change appointments as needed. Libraries also undergo regular audits by the State Board of Accounts, budget review by the Department of Local Government Finance, and financial reporting through Gateway Indiana.
- Public libraries must obtain approval from fiscal authorities to issue bonds or allocate additional funds outside of the approved annual budgets or special projects.
- HEA 1343 - 2019 provided measured fiscal correction through additional binding review provisions and a 10% annual cap on budget reductions for libraries with cash reserves above 150% of operating budgets, while maintaining local governance and operations.

Fiscal Oversight of Public Libraries is Well Established

- Fiscal bodies appoint library board members, establish expectations for transparency, accountability, and communication, and must approve major financial actions.
- Library budgets follow the same state-required public process as other local government units, including public notice, hearings, and opportunities for taxpayer input.
- Libraries must obtain approval from fiscal authorities to issue bonds or allocate additional funds outside of the approved annual budgets or special projects.
- Existing law includes fiscal safeguards, including binding review and enforced budget reductions when library reserves exceed statutory thresholds, demonstrating accountability is already in place.
- In 2024, library budgets accounted for less than 4% of the total levy for all governmental units statewide.