Understanding SEA410, the library law of 2020

Learning session for Indiana’s public libraries
History Lesson: HEA1343 from 2019

The expressed legislative intent was to foster communications and collaboration at the local level among government units that are reliant on the same property tax base.

In 2019, the first version of HB1343 would have allowed a fiscal body to zero out a library budget or levy. ILF successfully lobbied for guardrails including notice provisions, a threshold criteria of reserves before a fiscal body could option to call for a binding review, and a limit of 10% that the fiscal body could cut the library budget or levy. The conference committee process resulted in a final version of HEA1343 that changed definitions related to the threshold calculation.
From idea to a bill in 2020

In response to HEA1343 from 2019, Indiana Library Federation (ILF) worked with its members, state agency personnel, and lawmakers to assess concerns and to identify possible amendments to make it easier to implement the legislative intent of HEA1343.

ILF considered many provisions that had been expressed by lawmakers and by ILF members in surveys and on virtual updates. ILF assessed that inclusion of provisions related to serving foster children and requiring criminal history check policies were most needed.

ILF analyzed and strategized the best path for ILF-initiated legislation. ILF identified legislative champions for libraries, focusing on legislators with strong credibility in the Statehouse and solid ILF member-legislator relationships.

Libraries in Northeastern Indiana convened a meeting with their legislators in December 2019 to show the modern library and to discuss their concerns. Several other library leaders met with their legislators.
Senate Bill 410, Libraries, to Public Law 88

The Indiana General Assembly passed SB410 unanimously at every committee and floor vote.

- Senate Local Government Committee passed SB410, 10-0, on 1/30
- Senate passed 49-0 on 2/4
- House Local Government Committee passed SB410, 13-0, on 2/24
- House passed 89-0 on 3/2

The Governor signed SEA410 into law on 3/18/2020. SEA410 is now Public Law 88. The law becomes effective 7/1/2020.

*Please thank your state Senator and Representative.*
Key provisions of SEA410

1. Clarifies the threshold calculation on the cash balance of total tax-supported funds as a percentage of budget based on certified numbers in Gateway.

2. requires criminal history check policies by 12/31/2020 and adds libraries to the list of entities allowed to use Indiana State Police.

3. Adds a child receiving foster care services to the list of nonresident individuals for whom a library may provide a library card.

Other provisions requested by ISL and DLGF

4. Changes term library to library territory.

5. Requires the library to report its adopting fiscal body by October of 2020 and again if the library district or fiscal body changes.

See http://iga.in.gov/legislative/2020/bills/senate/410
SEA 410 – Section on public library finances

“on December 31, as reported in the public library's annual report under IC 5-11-1-4, the cash balance of all funds of the public library derived from tax revenue is greater than one hundred fifty percent (150%) of the public library's proposed certified budget for the ensuing year.”

Cash Balance

- Use cash balance as submitted on Annual Financial Report for State Board of Accounts
- Includes operating, rainy day, LIRF, debt service, levy excess, etc. (any funds derived from tax dollars)
- Does not include private dollars, grants, pass through accounts, etc.

Use the 2019 Annual Financial Report as submitted to State Board of Accounts, accessible online via Indiana Gateway. gateway.ifionline.org

Select Report Search
Select Annual Financial Report
Select Cash and Investments

Certified Budget

- Budgets are certified by the Department of Local Government Finance
- Use total library certified budget for the ensuing year (2019 AFR, 2020 Certified Budget)
- Includes all appropriated funds in budget order

Find the certified budget from DLGF online via DLGF website. in.gov/dlgf

Select County Specific Information
Select Appropriate County
Locate Library Certified Budget
Cash Balance

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Select **County Specific Information**
Select Appropriate County
Select County Budget Order
Locate Library Certified Budget
### Vigo County Public Library

**Vigo County, Indiana**

**Annual Financial Report—Gateway (Cash & Investments Report)**

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Inc.</th>
<th>Revenue</th>
<th>Expenditure</th>
<th>End Cash</th>
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<tbody>
<tr>
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<td>$8,803,084.39</td>
<td>$147,342.10</td>
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**GRAND TOTAL**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total</td>
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<tr>
<td>End Cash</td>
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**Certified Budget Order—DLGF website**

**Year:** 2020

**County:** 84 Vigo

**User:** 0259 VIGO COUNTY PUBLIC LIBRARY

<table>
<thead>
<tr>
<th>Fund</th>
<th>Certified Budget</th>
<th>Certified AV</th>
<th>Certified Levy</th>
<th>Certified Rate</th>
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Budget approved for displayed amount.
Rate reduced due to increased invested valuation.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Certified Budget</th>
<th>Certified AV</th>
<th>Certified Levy</th>
<th>Certified Rate</th>
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<tr>
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Budget approved for displayed amount.
Rate reduced due to reduction of operating balance according to IC 6-1-1-15-22.

**December 31, 2019 - Cash on hand in tax supported funds**

<table>
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<tr>
<th>Item</th>
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<td>$7,162,145.00</td>
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Cash as percentage of Budget 90%
YOUR NEXT STEPS

- Calculate your %
- Determine your fiscal body
- Educate your Board
Upcoming ILF Learning Opportunities

Open to all in Indiana Library Community

• **Daily– Networking and Sharing**

• *April 20 – PL2030 Update* – Understand the data about library services and finances, as well as projections about population and workforce, by library district. Use the PL2030 Self-Assessment to prepare for a more sustainable future.

• **Dates TBD** – Implementing SEA410 – Sessions on 1) *Criminal History Check Policies* and 2) *Serving Children in Foster Care*

Open to ILF Personal and Institutional Members

• Five **webinars with content from cancelled Regional Conferences**

• **Online series on Advocacy Skills** to prepare for 2021 Budget Session