



MEMORANDUM

Date: January 29, 2014

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CH", is written over the printed name "C.H. Huckelberry".

Re: **House Bill 2379 Impact on Pima County Public Libraries**

House Bill (HB) 2379, which has been introduced in the State Legislature and passed at least one House committee, would significantly impair the ability of the County Library District to fulfill its mission. This bill effectively limits the Library District tax levy to its amount in Fiscal Year (FY) 2013/14, and then it will only grow at an inflationary rate. This legislation, if passed, would have a devastating impact on our library system, demonstrating the adage "no good deed goes unpunished."

The County has been managing our Library District budget by reducing the fund balance over time to supplement the annual tax levy necessary to support the Library District. This year, we had proposed to utilize approximately \$5.4 million of our \$9.5 million fund balance to reduce the annual property tax levy in meeting annual operating expenditures of the library system. HB 2379 would impact our ability to provide library services at the worst possible time. In essence, the County would be forced to reduce our library operating budget by approximately \$5.4 million for next fiscal year if this legislation is approved.

Table 1 below shows the FY 2013/14 Library District operating budget; the property tax levy that will occur utilizing the tax rate of \$0.3753; and other revenues, which include City, fines, donations, miscellaneous revenue and earned interest. Total revenues available for the library system to operate and meet the expenses of a \$35 million budget is approximately \$29.7 million, which requires the Library District fund balance of approximately \$9.6 million to be drawn down to approximately \$4.1 million.

Table 1: Library District FY 2013/14 Adopted Budget.

Description	Amount
Expenditures Plus Operating	\$35,089,250
Property Tax Levy	\$28,487,320
Revenues	
City Revenue	\$ 85,000

Table 1: Library District FY 2013/14 Adopted Budget.

Description	Amount
Fines	650,000
Donations	400,000
Miscellaneous Revenue	30,000
Interest Earned	50,000
Total Levy Plus Revenues	\$29,702,320
Fund Balance Used to Balance FY 2013/14 Budget	\$ 5,386,930

Given our fiscal goal is to maintain approximately a 10-percent ending fund balance, the drawn down fund balance of \$4.1 million is about as low as it should be reduced over time. Therefore, any legislation that would restrict the property tax levy at \$28.5 million means we will have to cut \$5.4 million from the Library's operating and maintenance budget for the next fiscal year. This is a disproportionate impact on our ability to provide library services.

I asked library management to provide their best estimates of what service reductions would be necessary to meet this funding reduction. They have suggested, and I agree, that small, satellite libraries in neighborhood and community centers, which are less efficient, as well as other larger libraries that have been opened in the last few years and are within five miles of an existing established library, be closed under this state legislative proposal. Table 2 below shows the libraries that would be closed and the fulltime equivalent employees (FTEs) that will be laid off. As can be seen from the table, these are dramatic and significant library closing and service reductions.

Table 2: Projected Library Closures and FTE Layoffs.

Library Branch	Full Cost of Operations	FTEs	Proximate Branch Libraries, Additional Information
Dewhirst-Catalina	\$269,491	2.5	Oro Valley, Nanini
Sahuarita	248,253	3	Joyner-Green Valley
Santa Rosa	304,751	3	Joel D. Valdez Main Library, Sam-Lena South Tucson
Quincie Douglas Annex	17,200	0	Quincie Douglas
Geasa-Marana	202,920	2	Wheeler Taft Abbett
Juvenile Detention	52,155	1	Not a mandated service
Dusenberry-River	725,298	8.5	Murphy-Wilmot, Kirk-Bear Canyon, Woods Memorial, Martha Cooper

Table 2: Projected Library Closures and FTE Layoffs.

Library Branch	Full Cost of Operations	FTEs	Proximate Branch Libraries, Additional Information
El Pueblo	272,044	3.5	Valencia, Mission
El Rio	199,533	2.5	Main Library, Woods Memorial
Joel D. Valdez Main Library	222,000		Reduced hours five days per week, no weekend hours
Adult Detention	60,210	2	Not a mandated service
Himmel Park	833,632	8.5	Martha Cooper, Main Library, Woods Memorial, Murphy-Wilmot, Eckstrom-Columbus
Readrunners	197,147	2.5	Bookmobile, Deposit Collections and Books-by-Mail
Administration	433,606	6	Public Services Supporting Operations
Delivery	35,947	1	Fewer Drivers; Reduced Delivery Runs
SUBTOTAL	\$4,074,187	46	
Program Instructors	258,000		Eliminate Computer Classes, Homework Help and Readstrong
Materials Budget Reduction	500,000		Reduce Books and Materials Collection/Fewer Libraries
Hours of Operation Reduction	700,000		23 Libraries Operating Fewer Hours Per Day
TOTAL	\$5,532,187		

The Pima County library system has been very successful. It is the first regional system of its kind in the state and provides significant, positive beneficial services to the public, including economic development, employment and job training, and other skills development. It is unfortunate this legislation has been introduced, as it is clearly inappropriate and penalizes Pima County in our transition to a truly cost effective, regional library system.

I have asked our staff and lobbyist, though Chief Deputy County Administrator Martin Willett, to oppose this legislation. I will also be informing the Pima County Library Advisory Board of this legislation for their review and response.

CHH/mjk

c: Hank Atha, Deputy County Administrator for Community & Economic Development
 Melinda Cervantes, Director, Library District