



Cleveland Public Library
Board of Trustees Meeting

February 18, 2016



Legislative Calendar

- Limited sessions before Spring Recess
- Impacted by election year
- April/May likely active
- Intense “Lame Duck” Session

Executive Agenda

- Focus on implementation
- Largely dependent on Presidential Race
- Potential staff transitions

2015 PLF Distribution Exceeded Estimate

**Calendar Year 2015 Estimated Entitlement from
the Public Library Fund
Cuyahoga County:**

CY 2015 Guaranteed Share (“base” share)	\$49,343,402.61
CY 2015 Share of Excess (+,-) (“equalization” share)	\$1,667,613.42
CY 2015 Estimated Entitlement	\$51,011,016.03
January-June 2015 Actual Distribution	\$26,125,673.53
July-December 2015 Estimated Distribution	\$24,885,342.50

**Calendar Year 2016 Estimated Entitlement from
the Public Library Fund
Cuyahoga County:**

CY 2016 Guaranteed Share (“base” share)	\$52,511,854.96
CY 2016 Share of Excess (+,-) (“equalization” share)	\$360,738.33
CY 2016 Estimated Entitlement	\$52,872,593.29

**Calendar Year 2016 Estimated Entitlement from
the Public Library Fund
Cuyahoga County:**

CY 2015 Actual Distribution	\$52,906,208.24
CY 2016 Guaranteed Share (“base” share)	\$52,906,208.24
CY 2016 Share of Excess (+,-) (“equalization” share)	\$520,472.78
CY 2016 Estimated Entitlement	\$53,426,681.02

State Revenue Update

➤ State Revenues Overall

- Tax revenues are just 0.2 percent behind FY16 projections for the year to date with \$13.06 billion collected versus a projected collection of \$13.08 billion.
- State Receipts 5.4% Higher in FY 2016 versus FY 2015 as state collected \$12.39 billion at this point in time last year.

➤ Personal Income Tax

- January personal income tax receipts were \$37.0 million or 3.9% below the estimate.
- Income tax collections are now facing a \$116 million shortfall for the fiscal year to date.

➤ Sales Tax (non-auto)

- January sales tax receipts came in \$3.3 million above estimates.
- For the year, non-auto collections are up by \$48.2 million or 0.9% above the estimate.

➤ Sales Tax (Auto)

- January auto sales tax collections exceeded the estimate by \$4.6 million, or 5.1%.
- For the year, auto sales tax collections are \$30.1 million or 4.1% above the estimate.

FY 16 Receipts vs. FY 16 Estimates - OBM



Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2016 VS ESTIMATE FY 2016
 (\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL JANUARY	ESTIMATE JANUARY	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	864,441	861,100	3,341	0.4%	5,422,968	5,374,800	48,168	0.9%
Auto Sales & Use	96,131	91,500	4,631	5.1%	772,102	742,000	30,102	4.1%
Subtotal Sales & Use	960,571	952,600	7,971	0.8%	6,195,069	6,116,800	78,269	1.3%
Personal Income	923,559	960,600	(37,041)	-3.9%	5,126,037	5,242,600	(116,563)	-2.2%
Corporate Franchise	17,405	0	17,405	N/A	30,475	0	30,475	N/A
Financial Institutions Tax	43,672	45,550	(1,878)	-4.1%	35,312	32,150	3,162	9.8%
Commercial Activity Tax	44,376	48,700	(4,324)	-8.9%	657,132	681,500	(24,368)	-3.6%
Petroleum Activity Tax	0	0	0	N/A	3,362	3,000	362	12.1%
Public Utility	(322)	400	(722)	-180.4%	51,297	50,900	397	0.8%
Kilowatt Hour	26,927	29,100	(2,173)	-7.5%	198,544	199,100	(556)	-0.3%
Natural Gas Distribution	1,402	1,900	(498)	-26.2%	18,566	19,000	(434)	-2.3%
Foreign Insurance	255	200	55	27.4%	146,166	156,100	(9,934)	-6.4%
Domestic Insurance	0	(100)	100	N/A	344	4,700	(4,356)	-92.7%
Other Business & Property	0	0	0	N/A	42	0	42	N/A
Cigarette and Other Tobacco	71,059	71,700	(641)	-0.9%	539,150	517,700	21,450	4.1%
Alcoholic Beverage	3,011	3,900	(889)	-22.8%	31,986	32,000	(14)	0.0%
Liquor Gallonage	4,754	4,500	254	5.6%	27,161	26,500	661	2.5%
Estate	95	0	95	N/A	918	0	918	N/A
Total Tax Receipts	2,096,764	2,119,050	(22,286)	-1.1%	13,061,561	13,082,050	(20,489)	-0.2%
NON-TAX RECEIPTS								

FY 16 Receipts vs. FY 15 Receipts - OBM

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2016 VS ACTUAL FY 2015
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	JANUARY FY 2016	JANUARY FY 2015	\$ VAR	% VAR	ACTUAL FY 2016	ACTUAL FY 2015	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	864,441	804,583	59,858	7.4%	5,422,968	5,161,596	261,371	5.1%
Auto Sales & Use	96,131	93,890	2,241	2.4%	772,102	747,807	24,295	3.2%
Subtotal Sales & Use	960,571	898,473	62,099	6.9%	6,195,069	5,909,403	285,666	4.8%
Personal Income	923,559	1,008,532	(84,974)	-8.4%	5,126,037	5,150,440	(24,403)	-0.5%
Corporate Franchise	17,405	(1,627)	19,032	1169.5%	30,475	(27,365)	57,840	211.4%
Financial Institutions Tax	43,672	44,957	(1,285)	-2.9%	35,312	22,131	13,181	59.6%
Commercial Activity Tax	44,376	32,393	11,983	37.0%	657,132	454,329	202,803	44.6%
Petroleum Activity Tax	0	0	0	N/A	3,362	1,944	1,418	73.0%
Public Utility	(322)	1	(323)	-40928.2%	51,297	36,838	14,459	39.3%
Kilowatt Hour	26,927	26,127	800	3.1%	198,544	170,457	28,087	16.5%
Natural Gas Distribution	1,402	2,034	(632)	-31.1%	18,566	20,461	(1,896)	-9.3%
Foreign Insurance	255	(15)	270	1793.7%	146,166	153,819	(7,653)	-5.0%
Domestic Insurance	0	(276)	276	N/A	344	7,362	(7,018)	-95.3%
Other Business & Property	0	0	0	N/A	42	20	22	111.0%
Cigarette and Other Tobacco	71,059	63,542	7,516	11.8%	539,150	428,680	110,470	25.8%
Alcoholic Beverage	3,011	4,370	(1,359)	-31.1%	31,986	33,294	(1,307)	-3.9%
Liquor Gallonage	4,754	4,537	217	4.8%	27,161	26,112	1,049	4.0%
Estate	95	171	(76)	-44.5%	918	2,356	(1,439)	-61.1%
Total Tax Receipts	2,096,764	2,083,218	13,545	0.7%	13,061,561	12,390,281	671,280	5.4%
NON-TAX RECEIPTS								

2016 Issues & Beyond

- Capital Budget
- Ohio 2020 Tax Policy Study Commission
- Budget Corrective Bills
- 2017 Opportunities

Capital Budget

- Bulk dedicated to Ohio capital needs
- Legislators' requests were submitted February 15th
- Likely introduced and passed on fast track in April or early May
- Prepare for potential projects in next Capital Bill process

- The Commission began meeting in the fall of 2015 and will meet approximately once a month for foreseeable future
- Assigned to specifically examine the possibility of moving Ohio's progressive income tax system to a flat rate of 3.5 percent or 3.75 percent starting in 2018 and to provide specific reports on the following:
 - October 1, 2015 for severance tax recommendations
 - An informal working group led by the co-chairs commission issued its report on October 22nd for oil and gas severance tax reform, which Sen. Bob Peterson (R-Sabina) and Rep. Jeff McClain (R-Sandusky) said will provide a foundation for the commission to build on as it examines Ohio's overall tax structure.
 - Oct. 31, 2016 for the historic rehabilitation tax credit program
 - Oct. 1, 2017 for all other recommendations

Potential Mid-Biennium Review (MBR)

- Discussions earlier in the year indicated no MBR, but that has since changed
- Introduction likely to occur in late spring
- Low hanging fruit completed before summer break, remainder for lame duck
- Look for potential opportunities such as economic/workforce development initiatives

2017 Opportunities

- 2018/2019 Operating Budget
 - Opportunity to lay the groundwork
 - Preparation begins Sept/Oct 2016 with bill signed into law by June 30, 2017

- General Assembly Composition
 - New members in both chambers due to 2016 election
 - New Senate President
 - New House leadership team other than Speaker Rosenberger

- Public Library Fund (PLF)
 - Increased from 1.66% to 1.70% in last budget

- Tax Policy Adjustments
 - State revenue intake directly impacts dollar amount distributed through PLF

Action Item - Refine Message on Critical Issues

- Define challenges posed by past budget reductions
- Efficiency – CPL is doing more with less
- Shared Services – CleveNet
- Role of Library in Cleveland

Action Item – Implement Outreach Plan

- Identify and meet with key legislators
 - Rep. Ryan Smith (R-Gallipolis), Finance Chair
 - Rep. Nikki Antonio (D-Lakewood), Democrat Leadership, Finance Committee
 - Sen. Michael Skindell (D-Lakewood), Ranking Member of Finance Committee
 - Rep. Martin Sweeney (D-Cleveland), Key delegation member
 - Sen. Sandra Williams (D-Cleveland), Finance Workforce Subcommittee
 - Sen. Tom Patton (R-Strongsville), Senate Leadership, Finance Committee
 - Rep. Marlene Anielski (R-Walton Hills), Local Govt. Chair, Finance Committee

- Collaborate/coordinate outreach activities