

**1999 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA1-AB133)**

Received: 06/23/99

Received By: grantpr

Wanted: As time permits

Identical to LRB:

For: Senate Democratic Caucus

By/Representing: Walter

This file may be shown to any legislator: NO

Drafter: grantpr

May Contact:

Alt. Drafters:

Subject: Education - libraries

Extra Copies: MJL

**Pre Topic:**

SDC:.....Walter - Caucus #1811,

**Topic:**

State library aids

**Instructions:**

See Attached

**Drafting History:**

| <u>Vers.</u> | <u>Drafted</u>      | <u>Reviewed</u>     | <u>Typed</u>        | <u>Proofed</u> | <u>Submitted</u>         | <u>Jacketed</u> | <u>Required</u> |
|--------------|---------------------|---------------------|---------------------|----------------|--------------------------|-----------------|-----------------|
| /?           | grantpr<br>06/23/99 | jgeller<br>06/23/99 |                     | _____          |                          |                 |                 |
| /1           |                     |                     | kfollet<br>06/27/99 | _____          | lrb_docadmin<br>06/27/99 |                 |                 |

FE Sent For:

<END>

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|--------------|----------------|-----------------|--------------|----------------|------------------|-----------------|-----------------|
| 1?           | grantpr        | 1 6/23 jlg      | Kjf<br>6/27  | Kjf/jf<br>6/27 |                  |                 |                 |

FE Sent For:

<END>

yes

Agency: Public Instruction

SDC

TALLA

caucus number 1704

duplicate flag:  
duplicate with:

|                               |              |
|-------------------------------|--------------|
| Other reference numbers:      | LFB Sum #:   |
| bill number/amendment number: |              |
| LRB draft #                   | LRB P-draft: |

description: Provide a 10 cent per breakfast supplement to schools that offer the federal School Breakfast Program. Cost is \$1.5 mil in TANF over the biennium.

other notes

drafting instructions: See above and attached LFB analysis.

more instructions:

caucus number 1802

duplicate flag:  
duplicate with:

|                               |              |
|-------------------------------|--------------|
| Other reference numbers:      | LFB Sum #:   |
| bill number/amendment number: |              |
| LRB draft #                   | LRB P-draft: |

description: Count a four year old kindergarten pupil the same as a five year old kindergarten pupil for purpose of state aid. Fiscal effect unknown. LRB draft 1933/1.

other notes Modification to above: change effective date to reflect beginning in 00-01

drafting instructions: See above and attached

more instructions:

caucus number 1805

duplicate flag:  
duplicate with:

|                               |              |
|-------------------------------|--------------|
| Other reference numbers:      | LFB Sum #:   |
| bill number/amendment number: |              |
| LRB draft #                   | LRB P-draft: |

description: Increase a school district's revenue limit by the amount necessary to comply with certain orders and excluding that amount from the school district's shared cost. Ref LRB 1870/1

other notes

drafting instructions: See above and attached

more instructions:

caucus number 1811

duplicate flag:  
duplicate with:

|                               |  |              |
|-------------------------------|--|--------------|
| Other reference numbers:      | Paper 800, Alt. A1b (first year) A1d (second year) | LFB Sum #:   |
| bill number/amendment number: |  |              |
| LRB draft #                   |  | LRB P-draft: |

description: Increase of library aids.

other notes Modification to above: 1M GPR increase Y2 of the biennium

drafting instructions: See above and attached

more instructions:

## SENATE BUDGET AMENDMENT

**Agency name:** DPI

CN 1811

**Related Fiscal Bureau papers and motions:** Paper 800, Alt. A1b (1<sup>st</sup> year), Alt. A1d (2<sup>nd</sup> year)

**Description:** Increase of Library Aids

**Fiscal effect:** 1999-00 \$2,158,900 GPR; 2000-01 \$4,568,200 GPR

**Attachments:**

Support Senator Shibilski's motion to increase Library Aids.

- 1 M GPR INCREASE  
42 biennium.



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 20, 1999

Joint Committee on Finance

Paper #800

### Library System Aids (DPI -- Administrative, Funding and Transfers)

#### CURRENT LAW

The amount appropriated for aid to the state's 17 public library systems was \$13,249,800 GPR in 1998-99. State aid is distributed to library systems through a formula that takes into account system size, local library costs and population.

#### GOVERNOR

Maintain base level funding of \$13,249,800 GPR annually.

#### DISCUSSION POINTS

1. The library system aid formula distributes aid as follows: (a) \$8 for each square mile of territory within a single county, or \$20 for each square mile of territory in a system containing two or more counties; and (b) 4% of total local expenditures in the second preceding calendar year. These factors are summed for all systems and subtracted from the total amount provided for library system aid. The difference between the appropriated amount and the sum of the area and expenditure factors is divided by the total population in all systems to arrive at a per capita amount which is then used to distribute the amount of aid remaining in the appropriation. Each system's total amount of aid is derived by multiplying the per capita amount (\$1.374 for 1998-99 aid) by its population and adding this product to the system's area and expenditure factors.

2. Until 1992-93, the amount appropriated for library system aids was targeted, by statute, at 13% of the total operating expenditures from local and county sources for public library services in the preceding year. However, because the actual percentage repeatedly fell below the 13% target, the 1993-95 budget repealed the target. The table below provides the amount of state aid and local expenditures for public library systems from 1988-89 through 1998-99. In addition, the table indicates the percentage change in state funding and local expenditures and library system

aid as a percentage of local library expenditures for those years.

**Public Library System Funding Data  
1988-89 through 1998-99**

| <u>Fiscal Year</u> | <u>State Aid to Public Library Systems</u> | <u>Percentage Change</u> | <u>Calendar Year</u> | <u>Municipal and County Expenditures</u> | <u>Percentage Change</u> | <u>State Aid as Percentage of Prior Year Local Spending</u> |
|--------------------|--|--------------------------|----------------------|--|--------------------------|---|
| 1988-89            | \$8,773,300                                | N.A.                     | 1988                 | \$74,321,400                             | N.A.                     | 11.80%  |
| 1989-90            | 9,563,300                                  | 9.00%                    | 1989                 | 78,014,700                               | 4.97%                    | 12.26   |
| 1990-91            | 10,125,600                                 | 5.88                     | 1990                 | 83,866,000                               | 7.50                     | 12.07   |
| 1991-92            | 10,756,700                                 | 6.23                     | 1991                 | 89,060,600                               | 6.19                     | 12.08   |
| 1992-93            | 11,072,200                                 | 2.93                     | 1992                 | 95,209,900                               | 6.90                     | 11.63   |
| 1993-94            | 11,538,200                                 | 4.21                     | 1993                 | 101,402,000                              | 6.50                     | 11.38   |
| 1994-95            | 11,722,200                                 | 1.59                     | 1994                 | 107,514,300                              | 6.03                     | 10.90   |
| 1995-96            | 11,722,200                                 | 0.00                     | 1995                 | 112,166,200                              | 4.33                     | 10.45   |
| 1996-97            | 11,722,200                                 | 0.00                     | 1996                 | 118,780,000                              | 5.90                     | 9.87  |
| 1997-98            | 12,863,800                                 | 9.74                     | 1997                 | 124,853,200                              | 5.11                     | 10.30   |
| 1998-99            | 13,249,800                                 | 3.00                     | 1998                 | 132,150,000                              | 5.84                     | 10.03   |

3. Under 1997 Act 150 the Department of Public Instruction (DPI) was required to include in its 1999-01 biennial budget submission, a request for funding equal to 13% of the total operating expenditures from local and county sources in the calendar year immediately preceding the calendar year for which aid would be paid. The Department's 1999-01 biennial budget submission included a request for funding equal to 13% of total operating expenditures, which was estimated at that time to cost an additional \$5,141,200 GPR in 1999-00 and \$6,244,700 GPR in 2000-01.

4. The Governor's budget bill would maintain base level funding for library system aid for 1999-01. Based on its projections of municipal and county expenditures, DPI estimates that state funding for library system aids under the bill would be approximately 9.5% in 1999-00 and 8.9% in 2000-01 of the prior year's total operating expenditures.

5. The Department, using preliminary 1998 expenditure data, has reestimated the amount of funding needed to fund 13% of total operating local expenditures. Based on this reestimate, an additional \$4,960,500 GPR in 1999-00 and \$6,053,100 GPR in 2000-01 would be needed to fund 13% of total local expenditures. These amounts are \$180,700 in 1999-00 and \$191,600 in 2000-01 less than originally requested.

6. Under current law, as enacted under 1997 Act 150, the library system formula would be modified in the second calendar year following the first fiscal year that the total amount of state aid appropriated for public library system equals at least 13% of the total local operating expenditures. Under the formula modification, the expenditure factor in the state aid formula would be reduced from 4% to 2% of the total local operating expenditures in determining the expenditure

component of state library system aids.

7. Under the 1997 Act 150 change, less of the state aid would be distributed based on expenditures. The funding no longer distributed for expenditures would be available for distribution under the population factor of the formula which would increase the per capita payment. As a result, library systems with the larger populations and lower local expenditures would receive more funding under the new distribution method, while systems with high expenditure levels and smaller populations could receive a smaller amount of funding. Based on data for aid year 1998-99, it is estimated that if funding had been provided equal to 13% of the prior year local spending level, and if this alternative aid formula had been in effect, then approximately 15% of the funding would have been distributed based on expenditures, 6% based on area and 79% based on population. This compares to the current law aid formula in 1998-99, which if it had been funded at 13% of the prior year local spending level, would have distributed 29% of the funding based on expenditures, 6% based on area and 65% based on population.

8. In its 1999-01 budget request, DPI included a request to modify the current formula used to distribute library aid. A separate bill, 1999 Senate Bill 66, incorporates DPI's proposed formula modification. The Department has requested that the current formula for distribution of the state aid to library system be repealed and recreated in two stages. First, until the total amount of state funding equals at least 11.25% of the total operating expenditures for public library services from local and county sources, the amount of state aid received by each system would increase at the same percentage as the increase in the public library system aid appropriation. For example, if state aid to public library systems increased by 5% over the amount appropriated for 1998-99, state aid to each individual library system would increase by 5% in 1999-00 over the amount received in 1998-99. Under the first stage of the formula modification, the funding increases provided to library systems would no longer take into account system size, local library costs and population, rather the prior year aid distribution would be locked in and any increases would be tied directly to state funding level increases.

9. Under SB 66 and DPI's budget request proposal, after the total amount of state appropriated funding equals at least 11.25% of the total operating expenditures for public library services from local and county sources, the distribution of funding would again be modified. Under the new formula the amount paid to a system would be determined by adding all of the following: (a) the system's percentage of the state's population multiplied by 85% of the total amount appropriated for library aid; (b) the system's percentage of the state's area multiplied by 7.5% of the total amount appropriated for libraries; and (c) the system's percentage of current fiscal year shared revenue payments multiplied by 7.5% of the total amount appropriated for library aid. Under this formula modification, most of the funding (85%) would be distributed based on population; therefore, systems with greater populations would receive the majority of the funding. In addition, local expenditures for libraries would no longer be considered. Instead 7.5% of the funding would be distributed based on area and 7.5% based on shared revenue payment estimates.

10. Staff from DPI note that under the current formula, aid paid based on area and population remains mostly constant from year to year. However, aid paid based on expenditures

varies by system annually. As a result, higher spending systems receive a larger percentage of aid increases, while systems with relatively low library expenditures receive lower percentages of state aid increases. Staff indicate that under its request estimated shared revenue payments were used instead of expenditures, because these payment amounts do not fluctuate significantly from year to year and the payments are based in part on an equalizing factor.

11. Because any modification to the formula that distributes library system aids will result in a redistribution of aid between library systems, it may be desirable for the specifics of the aid formula to be established through separate legislation. However, the overall funding level for these aids would need to be determined as part of the biennial budget process.

12. The Committee could consider providing additional funding to attain certain percentages of total operating expenditures for library system aid. Alternatives that could be considered would be to increase the amount of funding for library system aids to attain percentage levels of support equal to 10, 11, 11.25, 12 or 13 percent of estimated total operating expenditures from local and county sources prior the calendar year in which the aid would be paid.

**ALTERNATIVES**

**A. Funding for Library Systems**

1. Increase public library system aid by providing funding for one of the following percentages of total operating expenditures.

|    | Aid as a % of<br>Local Expenditures | <u>GPR Funding Amount Calculated as a Change to the Bill</u> |                |              |
|----|-------------------------------------|--|----------------|--------------|
|    |                                     | <u>1999-00</u>   | <u>2000-01</u> | <u>Total</u> |
| a. | 10%                                 | \$758,100  | \$1,598,600    | \$2,356,700  |
| b. | 11                                  | 2,158,900  | 3,083,400      | 5,242,300    |
| c. | 11.25                               | 2,509,100  | 3,454,600      | 5,963,700    |
| d. | 12                                  | 3,559,700  | 4,568,200      | 8,127,900    |
| e. | 13                                  | 4,960,500  | 6,053,100      | 11,013,600   |

2. Maintain current law. Annual funding for state aid to public library systems would remain at \$13,249,800.

**B. Formula for Distribution of Library System Aid**

1. Modify the current law formula for distribution of state aid to public library systems by adopting the provisions of DPI's agency budget request, which have been incorporated into Senate Bill 66. Under this alternative, until the total amount of state funding equals at least 11.25% of the total operating expenditures for public library services from local and county sources in the calendar year ending in that fiscal year, the amount of state aid received by each system would



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increase at the same percentage as the increase in the public library system aid appropriation. Then, after the total amount of state appropriated funding equals at least 11.25% of the total operating expenditures for public library services from local and county sources in the calendar year ending in that fiscal year, the distribution of funding would again be modified. Under the new formula the amount paid to a system would be determined by adding all of the following: (a) the system's percentage of the state's population multiplied by 85% of the total amount appropriated for library aid; (b) the system's percentage of the state's area multiplied by 7.5% of the total amount appropriated for libraries; and (c) the system's percentage of current fiscal year shared revenue payments multiplied by 7.5% of the total amount appropriated for library aid.

2. Maintain current law.

Prepared by: Tricia Collins

modify

SDC

**Agency: Public Instruction**

caucus number 1802

duplicate flag:  
duplicate with:

|                               |              |
|-------------------------------|--------------|
| Other reference numbers:      | LFB Sum #:   |
| bill number/amendment number: |              |
| LRB draft #                   | LRB P-draft: |

description: Count a four year old kindergarten pupil the same as a five year old kindergarten pupil for purpose of state aid. Fiscal effect unknown. LRB draft 1933/1. Modification to above: change effective date to reflect beginning in 00-01

other notes **Modify to: change effective date to reflect beginning in 01-02**

drafting instructions: See above and attached

more instructions:

caucus number 1811

duplicate flag:  
duplicate with:

|                               |   |              |
|-------------------------------|---|--------------|
| Other reference numbers:      | Paper 800, Alt. A1b (first year) A1d<br>(second year) | LFB Sum #:   |
| bill number/amendment number: |   |              |
| LRB draft #                   |   | LRB P-draft: |

description: Increase of library aids. Modification to above: 1M GPR increase Y2 of the biennium

other notes **Modify to \$500,000 Y1 and \$1.5M in Y2**

drafting instructions: See above and attached

more instructions:

Agency: **Public Instruction**

Number of Amendments: 2

**1999**

Date (time)  
needed \_\_\_\_\_

LRB b 1118 1 1

**CAUCUS BUDGET AMENDMENT  
[ONLY FOR CAUCUS]**

PG: jlq

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**CAUCUS AMENDMENT  
TO ASSEMBLY SUBSTITUTE AMENDMENT 1  
TO 1999 ASSEMBLY BILL 133**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

At the locations indicated, amend the substitute amendment as follows:

#. Page . . . . , line . . . . :

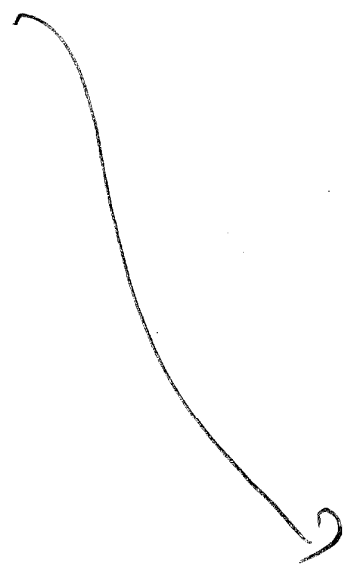
#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :

#. Page . . . . , line . . . . :



1999

AMENDMENTS

LRB \_\_\_\_\_/\_\_\_\_

\_\_\_\_\_:\_\_\_\_\_:\_\_\_\_

\$\$\$ INCREASE/DECREASE

In the component bar, for a "regular" amendment item:

For the item text, execute: ..... create -> item: -> m: -> \$in-dec

#. Page 131, line 19: in(de)crease the dollar amount for fiscal year 1999-00 by \$ 500,000 and in(de)crease the dollar amount for fiscal year 2000-01 by \$ 1,500,000 to increase funding for the purpose of [purposes] for which the appropriation is made to increase funding for .....

Handwritten signature and initials

#. Page ....., line .....: in(de)crease the dollar amount for fiscal year 1999-00 by \$ ..... and in(de)crease the dollar amount for fiscal year 2000-01 by \$ ..... [to ..crease funding for the [purpose] [purposes] for which the appropriation is made] [to ..crease funding for ..... ]\*

In the component bar, for a "frozen" amendment item (used in amendments to amendments):

For the item text, execute: ..... create -> item: -> afterline [or the applicable item]

For the "frozen" item text, execute: ..... create -> item: -> frz: -> m: -> \$inc-dec

#. Page ....., line .....: ..... Page ....., line .....: in(de)crease the dollar amount for fiscal year 1999-00 by \$ ..... and in(de)crease the dollar amount for fiscal year 2000-01 by \$ ..... [to ..crease funding for the [purpose] [purposes] for which the appropriation is made] [to ..crease funding for ..... ]\*

\* Use the 2nd alternative if the purpose of the increase or decrease is more limited than the purpose or purposes of the appropriation as currently shown in the text of ch. 20, stats.



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRBb1118/1  
PG:jl:g:kjf

SDC:.....Walter - Caucus #1811, State library aids

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

CAUCUS AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 1999 ASSEMBLY BILL 133

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 131, line 19: increase the dollar amount for fiscal year 1999-00 by  
3 \$500,000 and increase the dollar amount for fiscal year 2000-01 by \$1,500,000 to  
4 increase funding for the purpose for which the appropriation is made.

5 (END)