



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

---

May, 2019

Joint Committee on Finance

Paper #603

### Public Library System Aids (DPI -- Administrative and Other Funding)

[LFB 2019-21 Budget Summary: Page 357, #17]

---

#### CURRENT LAW

Public library systems receive state aids in order to supplement public library services provided by local and county funds. In 2018-19, public library system aid totaled \$16,013,100 SEG from the universal service fund, which includes \$1,000,000 in one-time funding provided under 2017 Act 59.

The state segregated universal service fund (USF) receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. The USF currently funds universal telecommunications services programs under the Public Service Commission (PSC); the telecommunications access program under the Department of Administration (DOA); BadgerLink, Newsline for the Blind, and public library system aid under DPI; and BadgerNet under the University of Wisconsin (UW) System. Total USF appropriations are budgeted at \$43.1 million in 2018-19. The PSC modifies assessments each year to reflect appropriation levels and unappropriated assessments.

#### GOVERNOR

Provide \$2,500,000 SEG in 2019-20 and \$4,000,000 SEG in 2020-21 above base level funding of \$15,013,100 SEG for public library system aid.

#### DISCUSSION POINTS

1. Public library systems were created by the Legislature in 1971 in order to improve and extend public library services, promote resource sharing among libraries, and increase access to

library materials and services by the state's residents. Serving a specific geographic region, each system provides special services and programs not offered by municipal and county libraries individually. Currently, there are 16 library systems serving all 72 counties and every state resident. Library systems receive state aids for coordination and supplementation of services beyond what could be provided by county and local funds.

2. Library systems do not oversee the administration of local libraries, which remain autonomous in regard to local services and operations. Municipal funds support the costs of providing basic library services at a municipal library to residents who pay taxes for library services. A county board may provide funds to individual municipal libraries or to public library systems. County funds, which must be provided under current law, are most commonly used to provide library service or access to it for county residents not residing in a municipality that operates its own library. Counties may also provide services themselves through county libraries.

3. State aids are distributed according to a statutory formula based on the amount of state aid each public library system received in the prior year. State funds are intended to fund system services that are required by statute. Such services include interlibrary loans, reference referral, continuing education, services to users with special needs, resource library services, collection development, and multi-type library cooperation. However, systems also have the authority to develop programs that meet area needs and support such programs with state aid. Each system must provide DPI with an annual report and a proposed service plan as a condition of receiving aid, and state statutes require DPI to conduct an annual audit to ensure that no more than 20% of state funds are used for administrative purposes.

4. Prior to 2003 Act 33 (the 2003-05 biennial state budget), public library aids were fully funded with general purpose revenue (GPR). Under Act 33, a supplemental public library aid appropriation was created, funded with USF moneys. Public library systems were funded from a combination of the two appropriations through 2008-09. Under 2009 Act 28 (the 2009-11 biennial budget), the GPR appropriation was deleted and the SEG appropriation was increased, becoming the sole funding source for state aid to library systems.

5. One-time funding of \$500,000 SEG in 2017-18 and \$1,000,000 SEG in 2018-19 was provided under 2017 Act 59 as a result of a corresponding decrease in funding for the Technology for Educational Achievement (TEACH) program under the Department of Administration. TEACH provides eligible entities, including public libraries, with access to the Internet and two-way interactive video services through rate discounts and subsidized installation of data lines and video links. The one-time funding is not part of the base for the 2019-21 biennium.

6. The following table shows the level of state aid for public library systems between 2011-12 and 2018-19, as well as proposed funding for 2019-21 under the bill.

**State Aid to Public Library Systems, 2011-12 through 2020-21  
(\$ in Millions)**

<u>Fiscal Year</u>	<u>Aid to Public Library Systems</u>	<u>Percent Change over Prior Year</u>
2011-12	\$15,013,100	-10.0%
2012-13	15,013,100	0.0
2013-14	15,013,100	0.0
2014-15	15,013,100	0.0
2015-16	15,013,100	0.0
2016-17	15,013,100	0.0
2017-18*	15,513,100	3.3
2018-19*	16,013,100	3.2
2019-20**	17,513,100	9.4
2020-21**	19,013,100	8.6

\*Includes one-time funding under 2017 Act 59; base level funding is equal to \$15,013,100

\*\*Proposed under AB 56/SB 59.

7. The bill provides funding equal to what was requested in DPI's agency budget request. DPI estimates that local expenditures for public libraries will increase by 1.6% in each year of the 2019-21 biennium. Between 2008 and 2018, local expenditures increased by 16%, while state aid decreased by 4.5%, if the 2018-19 one-time funding is included, from \$16,783,500 in 2008-09 to \$16,013,100 in 2018-19. If the one-time funding is excluded, state aid decreased by 7.6% during that time period. DPI indicates that without additional funding, library system services could be reduced in future years.

**ALTERNATIVES**

1. Approve the Governor's recommendation to provide \$2,500,000 in 2019-20 and \$4,000,000 in 2020-21 above base level funding of \$15,013,100 for public library system aid.

<b>ALT 1</b>	<b>Change to</b>	
	<b>Base</b>	<b>Bill</b>
SEG	\$6,500,000	\$0

2. Modify the Governor's recommendation by providing \$1,000,000 annually, so that library system aid remains at its 2018-19 level.

<b>ALT 2</b>	<b>Change to</b>	
	<b>Base</b>	<b>Bill</b>
SEG	\$2,000,000	-\$4,500,000

3. Take no action. Under this option, public library system would revert to its base level of \$15,013,100 annually, a decrease of \$1,000,000 annually compared to 2018-19 funding.

<b>ALT 3</b>	<b>Change to</b>	
	<b>Base</b>	<b>Bill</b>
SEG	\$0	- \$6,500,000

Prepared by: Christa Pugh