

# Legislative Fiscal Bureau

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February 10, 1998

TO:

Members

Joint Committee on Finance

FROM:

Bob Lang, Director

SUBJECT: Senate Bill 269: Public Instruction -- Public Libraries

Senate Bill 269 would make various changes regarding the governance, administration and funding of public libraries in the state. SB 269 was introduced by the Joint Legislative Council on August 5, 1997, and referred to the Senate Committee on Education. On September 24, 1997, the Senate Committee on Education adopted Senate Amendments 1 and 2 on votes of seven ayes and zero noes, and recommended the bill as amended for passage by the same vote. On October 1, 1997, Senate Amendment 3 was offered. Senate Amendment 4 was offered on January 13, 1998.

#### SUMMARY OF BILL

Senate Bill 269 deals with a number of differing topics. The following sections of this memorandum summarize current law and the proposed modification in SB 269 for each item.

Access to State Telecommunications Network. Senate Bill 269 would reiterate current law which authorizes the Department of Administration (DOA) to allow regionally accredited four-year nonprofit colleges and universities that are incorporated in this state or that have their regional headquarters and principal place of business in this state, to participate in any telecommunications network administered by DOA.

Statement of Legislative Intent. Under current law, the statutes specify that the Legislature recognizes that the most effective use of library resources in this state can occur only through interlibrary cooperation among all types of libraries. The bill would add the effective use of technology to this statement.

Public Library Annual Report and Evaluation of Public Library System. Under current law, within 30 days after the conclusion of the fiscal year of the municipality or county in which a public library is located, a public library board must make a report to the Division of Libraries and Community Learning (DLCL) in the Department of Public Instruction (DPI) and to its governing body. The report must include a variety of financial information specified in the statutes as well as such other information as the Division requests.

Senate Bill 269 would extend the deadline of this report to 60 days, rather than the current 30 days, after the municipal or county fiscal year. Further, SB 269 would require that the report to DLCL contain a statement by the library board indicating whether the public library system in which the library participated during the year of the report did or did not provide effective leadership and adequately meet the needs of the library and an explanation of why the library board believes so. The bill would require the Division to design the form of the statement so that it could be removed from the report and forwarded to DLCL before it is sent to the public library system.

SB 269 would require DLCL to conduct an investigation of a public library system if at least 30% of the libraries in participating municipalities that include at least 30% of the population of all participating municipalities report that the public library system did not provide effective leadership and adequately meet the needs of the library. If the Division would determine that the public library system did not provide effective leadership and adequately meet the needs of the libraries participating in the system, DLCL would be required to prepare a plan recommending how the public library system could do so in the future. The Division would be required to distribute the plan to the public library system board, the boards of all the libraries participating in the system and the county boards of all the counties participating in the system. A participating municipality would be defined as a municipality that operates a public library and is a member of a public library system.

Standards for Public Library Systems. Under current law, DLCL is required to promulgate rules for the standards for public library systems. Among other requirements, the Division is required to base the standards for public library systems on the population served, the adequacy of the buildings and physical facilities, the qualifications and number of personnel, book resources and other library materials, financial support and such other standards as the Division finds necessary to ensure adequate library service. Senate Bill 269 would permit, rather than require, the Division to promulgate these rules, and would delete the specific list of factors upon which the Division is required to base these standards.

County Library Planning Committees. Under current law, any county board may appoint a county library planning committee. If a county board, in a county where all public library service is administered or coordinated by an existing library board, determines to appoint a county library planning committee, the existing library board is required to serve as the county library planning committee. Senate Bill 269 would permit, rather than require, that the existing library board serve as the county library planning committee, and would include single-county public library system boards in this provision.

Current law requires that a county library planning committee be composed of: (a) not less than seven and not more than 15 members; (b) members whose residence reflects the population distribution of the county; (c) membership which includes representatives of existing public libraries in the county; and (d) only one member of the county board. Appointments must be for three years or until the committee's final report is accepted by the county board and DLCL, whichever occurs first. Currently, the committee is required to select a chairperson, vice chairperson and secretary from its membership annually, and must meet at least once every three months and more often on the call of the chairperson or majority of members. Senate Bill 269 would delete these requirements outlining county library planning committee organization, composition, appointment and frequency of meeting.

Current law requires a county library planning committee to investigate the potential of a public library system in the county and adjacent counties, and prepare a plan for the organization of a county or multicounty system. The committee is required to conduct public hearings to which representatives of all libraries in the county must be invited, and to cooperate with similar committees in adjoining counties for the purpose of planning multicounty public library systems.

The committee is required to complete a final report which includes a plan for initial and long-range services and copies of any written agreements necessary to implement the proposed system. The report must be filed with the county board and submitted to DLCL. Plans for multi-county systems must include a method for allocating system board membership among the member counties.

Further, current law requires that the plan of library service for a county, whether a single county or multicounty system, provide for library services to residents of municipalities in the county that do not maintain a public library. These services must include full access to libraries in the county participating in the public library system and may include books-by-mail service, bookmobile service, the establishment of additional libraries or other services determined by the committee. The plan must specify the method and level of funding to be provided by the county to implement the services described in the plan and include a description of the services to be provided by the public library system and the allocation of state and county aid for these services.

Senate Bill 269 would delete the requirement that the committee investigate the potential of a public library system in the county or adjacent counties. The bill would permit the committee to prepare a new plan for the organization of a county or multicounty system, revise an existing plan or change the boundaries of a public library system, subject to the current law public hearing requirements. The bill would delete the requirement that the plan describe the services to be provided by the public library system and the allocation of state and county aid to fund those services, but would require that the plan include the reimbursement of public libraries for access by residents of those municipalities in the county not maintaining a public library.

Additionally, SB 269 would permit that the plan of library services for a county include standards for public libraries in the county and would require the county to hold a public hearing

on any proposed standards. These standards would only take effect if approved by the county and public library boards of participating municipalities that contain at least 80% of the population of participating municipalities in the county, according to the most recent DOA population estimate.

Under current law, a county library planning committee must be dissolved after three years or when its final report has been accepted by both DLCL and the county board, whichever occurs first. The bill would delete this requirement for dissolving a committee.

County Payment for Certain Library Services. Senate Bill 269 would require that by July 1 of each year, each public library lying in whole or in part in a county must report to the county clerk on the following: (a) the number of loans of material made by the library during the prior calendar year to residents of the county who are not residents of a municipality that maintains a municipal or joint library; and (b) the total number of loans of material made by the library during the previous calendar year.

Further, SB 269 would require a county to make payments to each public library in the county, if the county does not maintain a consolidated public library for the county and contains residents who are not residents of a municipality that maintains a municipal or joint library. These payments would have to be made by March 1 of each year, and would be equal to at least 75% of the amount computed as follows: (1) divide the total operational expenditures of the library during the calendar year for which the number of loans are reported, not including capital expenditures or expenditures of federal funds, by the total number of loans made by the public library during the calendar year for which the loans are reported; and (2) multiply the result by the number of loans in the prior year made to residents of the county who are not residents of a municipality that maintains a municipal or joint library.

The bill would authorize a county to enter into an agreement with a public library system to pay the system the amount determined through the above for distribution to the public libraries that participate in that system. Further, the county library board, or the county itself if no county library board exists, would be required to either distribute the aid provided by the county to the public libraries, as outlined in the county library plan, or transfer the aid for distribution to the public library system in which it participates.

The bill would require a public library to provide access to the county clerk to all books and records used to determine the data specified above. The bill would not prohibit a county from providing additional funding for shared services, and would permit a library board to have the funding credited to shared services rather than receiving it as a direct reimbursement. These provisions regarding county payments for library services would not apply to a county with a population of 500,000 or more (Milwaukee County).

Library System Population Requirements. Under current law, a public library system cannot be established, in general, unless the territory within the system: (1) contains at least one municipal library in a city, which at the time of the system's establishment has a population of

more than 30,000; and (2) has a population of 85,000 or more. In 1973, four library systems began operating. The Southwest Wisconsin Library System, which includes Crawford, Grant, Iowa, LaFayette and Richland Counties, was established under a grandfather clause which exempted it from the city population requirement. Currently, each of the 17 systems serves a population greater than 100,000 people.

Senate Bill 269 would delete these population requirements and replace them with the requirement that a public library system could not be established unless it serves a population of 100,000 or more. Further, under the bill, if the withdrawal or realignment of participating municipalities or counties, would reduce the population of a public library system to under 100,000, the remaining parts of the system would be required to realign with an existing system within two years after the date on which the population falls below 100,000. Finally, SB 269 would specify that after July 1, 1998, no new system could be established unless it serves a population of 200,000 or more. The new requirements would only affect a current library system if one or more counties chose to withdraw from the system, thereby reducing the population served by the system to below 100,000 people.

Library Services Financial Support. Under current law, a county is required to maintain its support for library services at a level not lower than the average of the previous three years. If a city, village, town or school district that contributed to the county tax in the previous year is granted an exemption from the county library services tax for the current year because of its own contributions for this purpose, the three-year average is adjusted downwards by the proportionate share of the equalized valuation of the newly exempted city, village, town or school district of the total equalized value of the county.

Senate Bill 269 would modify this adjustment by comparing the equalized value of the newly-exempted city, village, town or school district to the previous year's equalized valuation of property in the county that was subject to the county tax levied in the previous year, rather than to the equalized value of all property in the county. Further, SB 269 would clarify which years are used in calculating the adjustment.

Joint Library in Two Library Systems. If a joint library lies in two or more counties that are not in the same public library system, Senate Bill 269 would require the joint library board, or the governing bodies of the municipalities and counties that created the joint library if no joint library board exists, to determine the system in which the joint library would participate.

Library System Method of Organizations. Under current law, a single-county public library system, whether federated or consolidated, may become part of a multicounty federated public library system by written agreement of the county board. Senate Bill 269 would delete this provision. Instead, SB 269 would permit two public library systems to merge with the approval of each public library system board, the county boards of the participating counties and 51% of the participating public libraries in the system.

Under current law, a municipal, county or joint public library may participate in a public library system if it meets a number of requirements, including the requirement that it receives funding from the municipal or county governing body at a level that is not lower than the average of such funding received for the previous three years. Senate Bill 269 would modify this requirement to specify that municipal or joint public libraries would have to receive funding from the municipal governing body, and a consolidated county library or a county library service from the county governing body, at a level that is not lower than the average of such funding received for the previous three years.

Senate Bill 269 would also specify that the following would not be included as funding for purposes of computing the three-year average: (a) funding received from a state, federal or private source that has been designated as funding for library services; (b) unspent funding appropriated by a municipality or county for library services for a prior year; or (c) funding received from a county for a municipal or joint public library.

Library System Advisory Committee. Senate Bill 269 would authorize every public library system to appoint a public library advisory committee to, among other things, advise the system board about the status and needs of libraries in the system, serve as a conduit of information between the system board and individual libraries in the system and make recommendations to the system board relating to libraries in the system.

Withdrawal from Library Systems. Under current law, a county is permitted to withdraw from a federated public library system whose territory lies within two or more counties, if it receives approval from the governing body of each participating municipality in the county. Under SB 269, a county would be permitted to withdraw if it receives approval from the governing bodies of participating municipalities that contain at least 80% of the population of participating municipalities in the county, according to the most recent DOA population estimate.

Under current law a municipality or county that has withdrawn or that has been expelled from a public library system may participate in a public library system only by fulfilling the requirements for initial participation. The bill would clarify the current law reference to initial participation and would require the adoption of a new plan of library service for the county.

Board Appointments to Federated Library Systems. Under current law, in a federated public library system whose territory lies within a single county, the system board must consist of seven members appointed by the county board. Senate Bill 269 would modify this requirement to require that the seven members be nominated by the county executive, or by the county board chairperson in a county without a county executive, and approved by the county board.

Under current law, for a federated public library system whose territory lies within two or more counties, the system board must consist of at least 15 and not more than 20 members appointed by the county boards, acting jointly. Appointments are required to be in proportion to population as nearly as practical, but each county must be represented by at least one member

on the system board. SB 269 would require that the 20 members be nominated by the county executive in each county in the system, or by the county board chairperson in a county without a county executive, and approved by each county board in the system. Further, SB 269 would authorize a federated library system board to consist of more than 20 members if the county boards, acting jointly, determine that each county in the system be represented by at least two members on the system board.

State Aid for Library Systems. 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 was consistently below the 13% target, the 1993-95 budget repealed the target.

Senate Bill 269 would require DPI to include in its biennial budget request to DOA, a request for annual funding for public library system aids. This request would have to 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, for public library services, in territories anticipated to be within all systems in the state.

Under current law, state aid to public library systems is distributed to systems based on a formula which utilizes, in part, an amount equal to four percent of certain operating expenditures. These expenditures are the total amount spent for public library services in the territory within the system from local and county sources in the calendar year ending in the fiscal year immediately preceding the fiscal year for which aids are to be paid.

Senate Bill 269 would provide that in the second calendar year following the first fiscal year that the total amount of state aid appropriated for public library systems equals at least 13% of the total operating expenditures and in every calendar year thereafter, the expenditure factor in the state aid formula would be modified. SB 269 would reduce the current four percent factor to, instead, be two percent of the total operating expenditures in determining the expenditure component of state library system aids.

Requirement for Receipt of State Aid. Under current law, for a public library system to qualify for and maintain its eligibility for state aid it must ensure that certain services are provided. Senate Bill 269 would modify the following:

- (1) Clarify the current law requirement for agreements for the interlibrary loan of materials among all participating public libraries, as well as agreements to provide the same library services to any resident of the system area that are provided to the residents of the municipality or county that established the member library, except for the group programming preference for certain library services;
- (2) Current law requires backup reference and interlibrary loan services from the system resource library. The bill would add information services to this requirement;

- (3) Current law requires referral or routing of reference and interlibrary loan requests from libraries within the system to libraries within and outside the system, as evidenced by a plan and service program. The bill would delete the requirement for evidence of a plan or service program;
- (4) Current law requires in-service training for participating public library personnel within the system as evidenced by a plan and a service program. The bill would add professional consultation with library personnel and trustees, as well as delete the requirement for evidence of a plan or service program;
- (5) Current law requires service agreements with all adjacent library systems as evidenced by the agreements. The bill would delete the requirement for evidence of the agreements;
- (6) Current law requires continuous planning with DLCL and with participating public libraries and counties in the area in regard to providing service to users with special needs and the coordination and implementation of a plan of service as evidenced by the written plan and documentation of its implementation. The bill would delete this provision and, instead, require the promotion and facilitation of library service to users with special needs;
- (7) Senate Bill 269 would add the requirement for electronic delivery of information and physical delivery of library materials to participating libraries; and
- (8) The bill would add the requirement to provide any other service programs designed to meet the needs of participating public libraries and the residents of the system area, as determined by the public library system board after consultation with participating public libraries.

Creation of Municipal Library. Under current law, any town desiring to establish a new public library or participate in a joint library is required to obtain the approval of the county library board, if one exists, and the county board of supervisors before final action is taken. The county library board and the county board of supervisors is required to render decisions within 90 days of the request being received.

Senate Bill 269 would authorize a town to appeal a denial to the State Superintendent, who would be required to hold a public hearing on the appeal within 60 days after receiving notice of the appeal. The State Superintendent would be required to publish one public notice of the hearing and would be required to provide notice of the hearing to the town board, the county board of supervisors and the county library board. The State Superintendent would be required to decide the appeal within 30 days after the adjournment of the public hearing, and would be permitted to approve the establishment of a new public library or participation in a joint library even if the county library board or the county board of supervisors had disapproved of the establishment or participation.

Municipal Library Board. Under current law, members of a municipal library board must be residents of the municipality, except that not more than two members may be residents of towns adjacent to the municipality. Senate Bill 269 would permit the two non-resident members to be residents of any other municipality, regardless of location. Additionally, SB 269 would delete the requirement that the terms of new members to certain municipal library boards be measured based on terms beginning from the succeeding July 1.

County Tax for Library Services. Under current law, any city, town, village or school district in a county levying a tax for public library services is exempted from the tax levy if two conditions are met. First, a written application must be submitted to the county board. Second, the city, town, village or school district making the application must spend for a library fund during the year for that year, a sum at least equal to its share of the sum levied by the county for public library services in the prior year. A library fund is defined as the funds raised by the city, village, town or school district by tax levy or municipal appropriation.

Senate Bill 269 would delete the current method for determining an entity's share of the sum levied by the county for public library services and would replace it with the following calculation: (a) divide the amount of tax levied by the county for public library services in the prior year by the equalized valuation of property in that area of the county that was subject to the county property tax levy for public library services in the prior year; and (b) multiply the result by the equalized valuation of property in the city, village, town or school district for the current year.

Further, SB 269 would require that no city, village, town or school district be exempt from the tax levy for any year if, by September 1 of the year preceding the year for which the tax is levied, the county board determines that the public library of the city, village, town or school district that is a member of the public library system has not complied with standards for public libraries in the county.

Public Library and School Library Technology Conference. Senate Bill 269 would require that on July 1, 1998, the State Superintendent set a date or dates for the convening of a public library and school library technology conference. The State Superintendent would be the chairperson of the conference. On the first day of the conference, attendees would be required to select a vice chairperson and secretary for the conference. Before the first day of the conference, the State Superintendent, in consultation with DOA, would be required to select chairpersons and vice chairpersons for any committees established by the State Superintendent to discuss and make preliminary recommendations to the conference regarding any subjects discussed at the conference.

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The bill would require that the conference consist of the following participants: (a) a representative of DLCL; (b) a representative of DOA; (c) representatives from public library systems in the state; (d) representatives from resource public libraries in the state; (e) representatives from public libraries in municipalities of various sizes in the state; (f) a representative from the Milwaukee Public Library System; (g) a representative from libraries of

the University of Wisconsin System; (h) a representative from libraries in private colleges and universities in the state; (i) a representative from libraries of the technical college system; (j) representatives from organizations in the state that represent the interests of municipalities and counties; (k) representatives from organizations that represent educational media in the schools in the state; (l) a representative from an organization that represents school boards in the state; (m) representatives from organizations that represent teachers in the state; (n) a representative from an organization that represents school administrators in the state; (o) a representative from the educational technology board (this board was deleted under 1997 Act 27); (p) a representative from the Wisconsin Advanced Telecommunications Foundation Board; (q) a representative from the Wisconsin interlibrary loan services; (r) a representative from a statewide data network that provides services to higher education, primary and secondary schools and business that are interconnected with each other and connected to the Internet; (s) a representative from the Educational Communications Board; and (t) any other person the State Superintendent or DOA determines to be important to the success of the conference.

Senate Bill 269 would provide that in addition to public library or school library technology subjects that the State Superintendent or DOA consider appropriate, the conference include discussions of and make recommendations about the following subjects:

- (a) how to provide public, school and other libraries with equitable access to information through advanced technology at a reasonable cost;
  - (b) funding issues relating to the use of and access to advanced library technology;
- (c) wiring and related practical problems of connecting libraries and library systems to permit access to advanced library technology;
  - (d) telecommunications rates for voice, data and video transmissions;
- (e) information available through technology and effective use of that information in public libraries; and
- (f) automation of local public libraries, including technology training assistance for library staff and the public.

Senate Bill 269 would require, after the conference, that the State Superintendent:

- (1) prepare a report of the findings and recommendations of the conference in each of the subject areas discussed, including recommended legislation to implement the recommendations of the conference; and
- (2) prepare a single state plan, in consultation with DOA, relating to each of the subject areas discussed at the conference. The plan would have to address major technological plans and processes occurring at the state level and specify goals for the effective and efficient use of

technology in public libraries and school libraries to improve the services they provide to the public and to students.

The bill would require that a copy of the report and the state plan be submitted to the Legislature and the Governor, not later than March 1, 1999. The State Superintendent, in consultation with DOA, would have to update the plan annually, beginning not later than March 1, 2000.

The provisions of Senate Bill 269 would take effect on July 1, 1998.

## SUMMARY OF SENATE AMENDMENT 1

Senate Amendment 1 to SB 269 would modify a bill provision the would allow a town desiring to establish a new public library or participate in a joint library to appeal an adverse decision by the county board or county board of supervisors to the State Superintendent. SA 1 would limit the right of appeal to a decision of the county board or the county board of supervisors that disapproves the participation by the town in a joint library with a municipality located in another county.

Senate Amendment 1 to SB 269 would also delete the bill provision which would permit the state superintendent to approve the establishment of a new public library or participation in a joint library by a town notwithstanding the disapproval by the county library board or the county board of supervisors.

# **SUMMARY OF SENATE AMENDMENT 2**

Senate Amendment 2 would modify a bill provision that would require DLCL to conduct an investigation of a public library system if at least 30% of the libraries in participating municipalities that include at least 30% of the population of all participating municipalities state in the reports that the public library system did not provide effective leadership and adequately meet the needs of the library. SA 2 would require a review by DLCL rather than an investigation and would delete all references to providing effective leadership.

Senate Amendment 2 to Senate Bill 269 would modify a bill provision that would permit that the plan of library services for a county include standards for public libraries in the county, to, instead, specify that the plan could establish minimum standards of operation. SA 2 would also modify a provision of SB 269 that would provide that these standards would only take effect if approved by the county and public library boards of participating municipalities that contain at least 80% of the population of participating municipalities in the county, to also require approval by at least 50% of the participating municipalities in the county.

Finally, SA 2 would modify a provision of SB 269 which would require that by March 1 of each year, a county that does not maintain a consolidated public library for the county and that contains residents who are not residents of a municipality that maintains a municipal or joint library make a payment to each public library in the county. Under the amendment, the payment would be reduced to 70% of the average operational cost per loan times the number of nonresident loans, instead of 75% as under the bill.

#### **SUMMARY OF SENATE AMENDMENT 3**

Senate Amendment 3 to SB 269 would delete all of the provisions related to the public library and school library technology conference from the bill. This amendment was introduced after the Senate Education Committee took executive action on SB 269.

### **SUMMARY OF SENATE AMENDMENT 4**

Senate Bill 269 would authorize any town to appeal to the State Superintendent a denial by a county library board or the county board of supervisors to establish a new public library or participate in a joint library. Senate Amendment 4 to SB 269 would authorize only a town located in a county that does not operate a consolidated county library to make such an appeal to the State Superintendent.

### FISCAL EFFECT

Library System State Aid Expenditure Target. Senate Bill 269 would require DPI to include in its biennial budget request to DOA, a request for an annual amount for public library system aids equal to 13% of the total operating expenditures for public library services, in territories anticipated to be within all systems in the state, from local and county sources in the calendar year immediately preceding the calendar year for which aid under this section is to be paid.

The bill would not require that the Governor include this funding level in the budget recommendations, nor would SB 269 require the Legislature to fund the 13% target. Therefore, the fiscal effect of this provision would be dependent on the actions of a future Legislature. As an illustration of the potential cost of funding this target, if the 1999 Legislature would provide funding equivalent to 13% of total local operating expenditures, it would cost an estimated \$3.9 million GPR in 1999-2000 and \$4.8 million GPR in 2000-01 above the 1998-99 base year funding level of \$13.2 million GPR.

Library System State Aid Expenditure Factor. Senate Bill 269 would provide that in the second calendar year following the first fiscal year that the total amount of state aid appropriated for public library systems equals at least 13% of the total operating expenditures and

in every calendar year thereafter, an amount equal to two percent of the total operating expenditures would be utilized to determine state library system aids.

If the state aid appropriated for fiscal year 1999-2000, the first fiscal year for which DPI could submit a budget request for the 13% state aid, equals at least 13% of the total operating expenditures of public libraries in the state, then the first calendar year in which the expenditure factor of the public library system aid would change would be calendar year 2002. Therefore, in fiscal year 2001-2002, state public library system aid would be calculated using an expenditure factor of 2%, rather than 4%. This would not increase state appropriations for library system aid, but would redistribute the aid among the 17 library systems.

Under current law, state aid is distributed to library systems using a formula which takes into account three factors: (1) system area in square miles; (2) local expenditures for library services; and (3) system population. The area and local expenditure factors are first paid in full based on separate formula calculations. The remaining aid in the appropriation is then paid on a per capita basis.

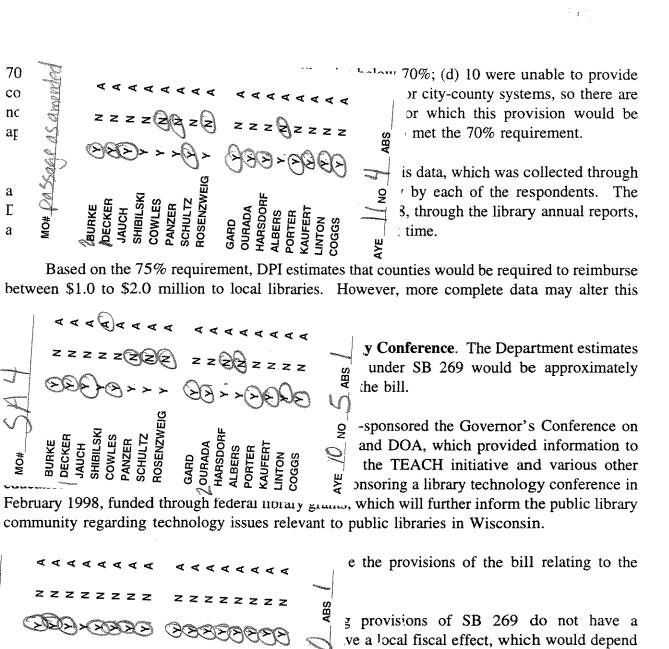
The following factors for each system are summed: (a) \$8 for each square mile of territory within a single county system, and \$20 for each square mile of territory in a system containing two or more counties; and (b) 4% of total local expenditures for public library services within the system from county and municipal sources in the second preceding calendar year.

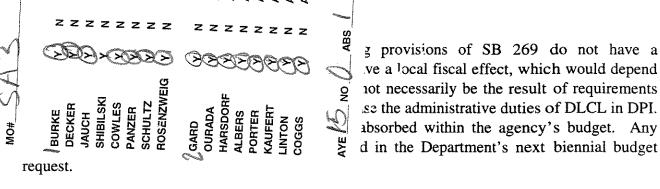
The area and expenditure factors are summed for all systems and subtracted from the total amount appropriated to library system aid. The difference between the appropriated amount and the sum of the factors is divided by the total population in all systems to arrive at a per capita amount which is then 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 by its population and adding this product to the system's area and local expenditure factors.

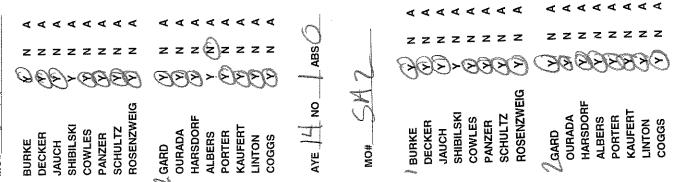
Because SB 269 would reduce the percentage of local expenditures calculated in determining state aid, more state aid would be available for the per capita population factor of the aid formula. This would redistribute funding to library systems with lower local expenditures per capita.

County Payment for Library Services. Senate Bill 269 would require that by March 1 of each year, a county that does not maintain a consolidated public library for the county and that contains residents who are not residents of a municipality that maintains a municipal or joint library must pay to each public library in the county an amount that is equal to at least 75% of the average operational expenditures of the library per loan times the number of nonresident loans. Senate Amendment 2 to SB 269 would reduce the amount of the payment to 70%, rather than 75%.

According to data collected by DPI in March of 1997, of the 72 counties in Wisconsin: (a) 25 reimburse their local libraries at or above 75%; (b) four reimburse their local libraries between







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