

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Senate Committee on
Education(SC-Ed)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **97hrSC-Ed_Misc_pt20e**

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ **

➤ Record of Comm. Proceedings ... RCP

➤ **



**STATE OF WISCONSIN
JOINT LEGISLATIVE COUNCIL**

REPORT NO. 1 TO THE 1997 LEGISLATURE

LEGISLATION ON PUBLIC LIBRARIES

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|-----------------------|---|
| 1997 SENATE BILL 259, | Relating to Library Lending Incentive Aid and Granting Rule-Making Authority |
| 1997 SENATE BILL 269, | Relating to the Number of Members on the System Board in Certain Federated Library Systems; Nomination and Approval of Members of a Library System Board in a Federated Public Library System; Public Library Advisory Committees; Exemption From the County Property Tax Levy for Library Services; the Establishment by Counties of Standards for Public Libraries; Convening a Public Library and School Library Technology Conference; Public Library System Aids; Reports on the Effectiveness of Public Library Systems; Withdrawal From and Participation in Public Library Systems; Appeals to the State Superintendent of Public Instruction of a County Library Board or County Board of Supervisors' Disapproval of a Town's Request to Establish a Public Library; Authorizing Private Colleges and Universities to Participate in Telecommunications Networks; and Requiring Counties to Pay Public Libraries for Services Provided to Residents of the County That Reside in Municipalities That Do Not Maintain Public Libraries |

Legislative Council Staff
August 18, 1997

One East Main Street, Suite 401
Madison, Wisconsin

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JOINT LEGISLATIVE COUNCIL
REPORT NO. 1 TO THE 1997 LEGISLATURE*

LEGISLATION ON PUBLIC LIBRARIES

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* This Report was prepared by William Ford and Don Salm, Senior Staff Attorneys, Legislative Council Staff.

PART I

KEY PROVISIONS OF LEGISLATION; AND
COMMITTEE AND JOINT LEGISLATIVE COUNCIL VOTES

A. 1997 SENATE BILL 259, RELATING TO LIBRARY LENDING INCENTIVE AID AND
GRANTING RULE-MAKING AUTHORITY

- Lending Incentive Aid

Creates a state library lending incentive aid program, administered by the Division for Libraries and Community Learning (DLCL), to provide an incentive to public libraries to lend library materials to persons who reside outside the library's primary service area.

- Calculating the Incentive

With reference to calculating the basic incentive amount to public libraries that are eligible under the new program, requires the DLCL to establish, by rule, a procedure for determining the number of "loans" of materials made by each public library to persons who reside outside the library's "primary service area" or outside the county in which the library is located. Under the Bill, the payment to a library for the number of loans made is equal to the number of loans multiplied by \$.50.

- Effective Date

Specifies that, if these provisions are enacted into law, the effective date of the new law is *July 1, 1999*.

The Special Committee on Public Libraries approved the draft which became Senate Bill 259 by unanimous consent.

At its May 21, 1997 meeting, the Joint Legislative Council voted to introduce 1997 Senate Bill 259 (WLCS: 0142/3) by a vote of Ayes, 12 (Reps. Brancel, Duff, Freese, Hubler, Kunicki and Schneider; and Sens. Risser, Burke, Chvala, Drzewiecki, Moen and Shibilski); Noes, 6 (Reps. Foti, Jensen and Kelso; and Sens. Cowles, Ellis and Zien); and Absent, 4 (Reps. Klusman and Linton; and Sens. Jauch and Moore).

B. 1997 SENATE BILL 269, RELATING TO MISCELLANEOUS CHANGES IN PUBLIC LIBRARY LAWS

- **State Aids to Public Library Systems and Reduced Expenditure Factor in Library System Aid Formula**

Requires DLCL to include in its budget request an amount for state public library system aids for each fiscal year of the fiscal biennium that is equal to 13% of the total operating expenditures for public library services from local and county sources. Also, reduces the "expenditure factor" in the public library system aid formula from 4% to 2% of the total operating expenditures by counties and municipalities within the public library system for public library services.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **County Payment for Library Services; Exception**

Except for a county having a population of 500,000 or more, requires each county that does not maintain a consolidated public library for the county and that contains residents of municipalities that do not maintain a public library to pay each public library in the county an amount to reimburse the public library for at least 75% of the cost of services provided to those county residents.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 on a roll call vote of Ayes, 14 (Sen. Potter; and Public Members Airoldi, Gelhausen, Guettinger, Hamon, Huston, La Violette, McCabe, Mulroy, Nelson, Nichols, Thomas, Williams and Zuege); Noes, 2 (Reps. Coleman and Skindrud); and Absent, 5 (Reps. Baldwin, Hanson and Olsen; and Public Members Schneider and Weinhold).

- **Revised Method for Calculating County "Maintenance of Effort" Requirements**

Revises how county "maintenance of effort" requirements are to be calculated when a municipality that has previously been subject to the county property tax levy for library services receives an exemption from the tax under s. 43.64 (2), Stats.; and clarifies how the current three-year average for "maintenance of effort" requirements is to be computed for the years preceding the year that a municipality qualifies for an exemption.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Funds to Be Included in Determining "Maintenance of Effort" Compliance**

Provides that a municipal, county or joint public library may not include funding from the state, the federal government or a private source which has been designated for library services by the source, or funding that was appropriated in a prior year by the municipality or county for library services, in order to meet the "maintenance of effort" requirements imposed in order to participate in a public library system.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Requirements for Municipal Exemption From County Property Tax Levy**

Provides that a city, village, town or school district (in this and the next item, "municipality") is exempt from the county property tax levy for library services only if the municipality levies a property tax for library services and appropriates and expends for a library fund a sum at least equal to an amount determined by multiplying the county property tax rate for library services in the prior year times the equalized valuation of property in the municipality in the current year.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Optional Standards in Plan of Library Services for County**

1. Permits the plan of library services for a county to include standards for public libraries in the county and specifies that the standards take effect if they are approved by at least 80% of the population of participating municipalities in the county.

2. Provides that a municipality is not exempt from the county property tax levy for library services if the county board determines that the public library of the municipality is not in compliance with standards adopted under item 1., above.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 on a roll call vote of Ayes, 15 (Sen. Potter; Reps. Coleman, Olsen and Skindrud; and Public Members Gelhausen, Guettinger, Hamon, Huston, La Violette, McCabe, Nelson, Nichols, Thomas, Williams and Zuege); Noes, 2 (Public Members Airoldi and Mulroy); and Absent, 4 (Reps. Baldwin and Hanson; and Public Members Schneider and Weinhold).

- **County Library Planning Committee**

Sets forth in detail the purposes of a county library planning committee, which purposes include: (1) initial participation in a public library system and the initial development of the county library plan; and (2) developing a new county library plan or revising the plan. The Bill

also repeals current provisions specifying the composition of county library planning committees and authorizing county library planning committees to dissolve and updates county library planning requirements.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Public Library Advisory Committee**

Creates a new provision *permitting* every public library system to have a public library advisory committee to: (1) advise the system board regarding the status and needs of libraries in the system; (2) serve as a conduit of information between the system board and individual libraries in the system; and (3) make recommendations to the board relating to libraries in the system.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Withdrawal From and Participation in Public Library Systems**

Provides that a county may withdraw from a federated public library system whose territory lies within two or more counties if it obtains the approval of the governing bodies of participating municipalities that contain at least 80% of the population of participating municipalities in the county.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Town Appeal of Library Board or County Board Decision Disapproving Participation in Joint Library With a Municipality Located in Another County**

Permits a town to appeal to the State Superintendent of Public Instruction a decision of the county library 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. The Bill specifies that if there is such an appeal, the State Superintendent may approve the participation by the town in a joint library notwithstanding the disapproval by the county library board or the county board of supervisors.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Report to Division on Library System Effectiveness**

Requires library boards, in their annual reports to DLCL, to include: (1) a statement indicating whether the public library system in which the library participates did or did not

provide effective leadership and adequately meet the needs of the library; and (2) an explanation of why the library board believes this to be the case. Requires DLCL to conduct an investigation of a public library system if, in annual reports to DLCL, at least 30% of the libraries in participating municipalities that include at least 30% of the population of all participating municipalities state that the public library system did not provide effective leadership and adequately meet the needs of the library. If DLCL determines that the public library system did not provide this leadership and adequately meet the needs, it must prepare a plan recommending how the public library system can do so in the future.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Public Library and School Library Technology Conference**

Requires the convening of a conference on issues relating to public library and school library technology and, based on recommendations made at the conference, requires the Superintendent to make a report and a state plan (to be updated annually) and submit them to the Governor and the Legislature not later than February 1, 1998.

The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- **Miscellaneous Other Provisions**

1. 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. The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

2. Provides statutory recognition to the importance of technology in library resource sharing. The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

3. Repeals statutory standards for administrative rules regulating public library systems and *permits*, rather than requires (current law), DLCL to promulgate necessary standards for public library systems. The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

4. Revises minimum population requirements for public library systems. The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

5. Requires that all territory within a joint library be included in the same public library system. If the territory of a joint library lies in two or more counties which are not in the same public library system, the proposal requires the joint library board or, if no such board exists, the

governing bodies of the municipalities and counties forming the joint library, to determine the public library system in which the joint library will participate. The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

6. Deletes a provision in current law permitting a single-county public library system (federated or consolidated) to become a part of a multicounty federated system by written agreement of the county board and creates a provision permitting two systems to merge with the approval of: (a) each public library system board; (b) the county boards of the participating counties; and (c) 51% of the participating public libraries in the system. This provision of Senate Bill 269 was approved by the Special Committee on Public Libraries on a roll call vote of Ayes, 15 (Sen. Potter; Reps. Coleman and Skindrud; and Public Members Airoldi, Gelhausen, Guettinger, Hamon, Huston, La Violette, McCabe, Nelson, Nichols, Thomas, Williams and Zuege); Noes, 1 (Public Member Mulroy); and Absent, 5 (Reps. Baldwin, Hanson and Olsen; and Public Members Schneider and Weinhold).

7. Requires that in a federated public library system whose territory lies *within a single county*, the system board must be: (a) nominated by the county executive, or by the county board chairperson in a county without a county executive; and (b) approved by the county board. The Bill also specifies that in a federated public system whose territory lies *within two or more counties*, the members of the system board must be: (a) nominated by the county executive in each county in the system, or by the county board chairperson in each county in the system without a county executive; and (b) approved by each county board in the system. The Bill also permits, in a system whose territory lies within two or more counties, the system board to consist of more than 20 members if the county boards, acting jointly, determine that each county in the system should be represented by at least two members on the board. The Special Committee on Public Libraries approved these provisions of Senate Bill 269 by unanimous consent.

8. Revises current law relating to municipal library board composition to specify that not more than two members of the board may be residents of "*municipalities other than the municipality that maintains the public library.*" Current law specifies that not more than two members may be residents of *towns* adjacent to the municipality. The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

9. Deletes the requirement in current law that library board members be appointed for a term of years on a date which begins on the succeeding July 1. The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

10. Allows public libraries to file annual reports with the governing body of the municipality and with DLCL within 60 days, rather than 30 days (current law), after the conclusion of the fiscal year. The Special Committee on Public Libraries approved this provision of Senate Bill 269 by unanimous consent.

- *Effective Dates*

1. Provides for *July 1, 1998* as the general effective date for provisions in the Bill.

2. Provides that the provisions in the Bill which would reduce the expenditure factor in the public library system aids formula from 4% to 2% of the total operating expenditures by counties and municipalities within the public library system, do not take effect until a specified circumstance exists. The Bill specifies that these provisions do not take effect until the second calendar year following the first fiscal year that the total amount of state aid appropriated for public library system aids equals at least 13% of the total operating expenditures for public library services from local or county sources for the calendar year immediately preceding the calendar year for which public library system aids are paid.

- **Joint Legislative Council Vote**

At its May 21, 1997 meeting, the Joint Legislative Council voted to introduce 1997 Senate Bill 269 (WLCS: 0303/1) by a vote of Ayes, 15 (Reps. Brancel, Duff, Freese, Hubler, Jensen, Kelso, Kunicki and Schneider; and Sens. Risser, Burke, Chvala, Drzewiecki, Moen, Shibilski and Zien); Noes, 3 (Rep. Foti; and Sens. Cowles and Ellis); and Absent, 4 (Reps. Klusman and Linton; and Sens. Jauch and Moore).

PART II

COMMITTEE ACTIVITY

A. ASSIGNMENT

The Joint Legislative Council established the Special Committee on Public Libraries and appointed its Chairperson by a July 19, 1996 mail ballot. The Special Committee was directed to study public library funding and services and related governance issues.

The membership of the Special Committee, appointed by September 4 and 20, 1996 mail ballots, consisted of one Senator, five Representatives and 15 Public Members. A membership list of the Joint Legislative Council is included in **Appendix 1**. A list of the Committee membership is included in **Appendix 2**.

B. SUMMARY OF MEETINGS

The Special Committee held seven meetings at the State Capitol in Madison on the following dates:

October 3, 1996	January 15, 1997
October 30, 1996	February 18, 1997
November 20, 1996	March 17, 1997
December 11, 1996	

At its October 3, 1996 meeting, the Committee heard presentations from invited speakers.

Larry Nix, Acting Division Administrator, DLCL, DPI, Madison, explained the history and organization of DLCL. He stated that county funding for public library services to residents outside of municipalities is increasing at a faster rate than that of municipal and consolidated county library support and that this trend is reducing the disparity and funding between municipalities with public libraries and municipalities without public libraries.

Thomas J. Henning, Jr., Administrator, Lake Shores Library System, Racine, indicated that the state needs a program that ensures residents have access to all state libraries and to provide fair compensation to libraries for use by nonresidents. He noted that the best way to do this would be to provide a statewide borrower's card using statewide automation connections.

Judith King, Wisconsin Educational Media Association, Library Media Specialist, Memorial High School, Madison, requested that the Special Committee involve school libraries in any study of public library funding and services, adding that, in most instances, combining school libraries with public libraries is not a viable option. She stated that there is a need for

greater cooperation between public libraries and school libraries and that there are many opportunities to use technology and telecommunications to develop a comprehensive network for transmitting, sharing and accessing resources between school libraries and public libraries.

Dale Bartkowiak, President, Wisconsin Library Association, and Director, Marshfield Public Library, Marshfield, set forth the Association's list of legislative issues that should be addressed by the Special Committee, emphasizing that the greatest problems are the need for adequate dollars to provide services and the need to reimburse public libraries for nonresident use.

Karen Krueger, Director, Janesville Public Library (Hedberg Public Library), Janesville, reiterated that the most significant problem in current law is inadequate reimbursement of public libraries for use by nonresidents. She noted that possible solutions would be to provide state funding to reimburse libraries for the volume of use by nonresidents, local funding under which municipalities would pay for their residents' use of other libraries in order to have access to those libraries, or some combination of state and local funding.

Kenneth L. Frazier, Director, General Library System, University of Wisconsin (UW)-Madison, stated that Wisconsin is strong compared to many other states in the extent in which libraries cooperate in providing services, adding that the leading states ensuring library services are all located in the Upper Midwest. He described the Gallileo project in the State of Georgia, under which \$10 million per year has been made available to provide on-line access to data.

The Committee then discussed the parameters of issues that the Committee should consider.

At its October 30, 1996 meeting, the Special Committee received testimony from invited speakers. **Lee Alley, Associate Vice President for Learning and Informational Technology, UW Wisconsin System**, stated that the themes that the UW is emphasizing in the area of libraries include providing teachers with technology training, providing teachers with technical support staff on technology, interconnecting all of the educational institutions via computer and video, equipping classrooms with appropriate technology and interconnection of all public libraries.

Todd Penske, Executive Director, Wisconsin Advanced Telecommunications Foundation and Educational Technology Board, made a number of suggestions on public funding and related governance issues, including provision of additional support and cash grants funding specifically for libraries and strategic planning on information and educational technology and telecommunications; and making library system building and office operations eligible for Educational Technology Board funding.

The Special Committee then reviewed Section D. in MEMO NO. 1, to the Special Committee, *Proposals for Possible Consideration by the Special Committee* (October 24, 1996), which items related to proposals for miscellaneous revisions of statutes relating to public libraries. The Committee directed the staff to draft a number of the proposals set forth in that Section of Memo No. 1.

At its November 20, 1996 meeting, the Committee received testimony from *Mark Wahl, Administrator, Division of Technology Management, DOA*. He stated that the DOA administers the BadgerNet Telecommunications Network and that public libraries may subscribe to it, providing them with greater transmission capacity at a lower cost. He stated that DOA sees a need for improvement in marketing such products as BadgerNet to schools and libraries and is considering reallocation of staff in order to do so. The Committee next considered a number of items remaining in Section D. of Memo No. 1, including proposals relating to DLCL evaluation of the efficiency and effectiveness of a public library system's programs services and revising state statutes relating to county planning for public library services. The Committee also requested the staff to draft a provision to authorize public library system boards to impose requirements in addition to those imposed by state standards upon public libraries within the system. The Committee also decided to have Chairperson Potter send a letter to the Secretary of Administration and to the Cochairpersons of the Joint Committee on Finance, urging that certain DLCL budget requests be added, as amendments, to the 1997-99 biennial budget submitted by the Governor. A copy of this letter is included in **Appendix 3**. Finally, the Committee requested staff to draft legislation to require the convening of a state-local conference on the use of technology to provide access to information electronically by all Wisconsin citizens.

At its December 11, 1996 meeting, the Committee discussed proposals relating to the "maintenance of effort" requirement in the statute in light of information received from the Wisconsin Alliance of Cities and the League of Wisconsin Municipalities. The Committee then reviewed a number of drafts prepared by the staff, including drafts relating to exemption from the county property tax levy for library services, withdrawal from and participation in public library systems, establishment of standards for public libraries and convening a library technology conference. The Committee then discussed items in Section B. of Memo No. 1, including a proposal to increase state aids to public library systems to equal 13% of the total municipal and county expenditures for public library services in the preceding year and a proposal to reduce the expenditure factor in the public library system aid formula from 4% to 2% for the total operating expenditures by counties and municipalities within the public library system for public library services. The Committee also began its discussion of the issue of nonresident borrowing and possible solutions to that problem, including state funding, minimum level of county library funding and cutoff of services for failure to adequately reimburse a library for nonresident borrowing.

At its January 15, 1997 meeting, the Committee reviewed and voted on drafts relating to library system aids and to the establishment of standards for public libraries. The Committee also considered a draft authorizing a town to appeal a decision to the Superintendent of Public Instruction by either a county library planning committee, the county board, or both, to deny the town the authority to create a new public library or to participate in a joint public library. The Committee also considered a proposal, from Mr. McCabe, relating to the formation of public library districts and a document distributed by Mr. Nichols, entitled *System and Resource Library Administrators Association of Wisconsin: Proposed Library Technology Access 2001 Bill*. Mr. Nichols stated that the "bill" in this document would provide a program of state funding to pay for the usage of public libraries by the residents of another municipality with the public library or from another county, require a minimum level of county funding for the use by residents of municipalities without libraries for access to the public libraries in that county, and

provide for entitlement funding to libraries and systems on a per capita basis that would cover most of the ongoing costs of automation and telecommunications equipment. The Committee directed the staff to draft various portions of the Access 2001 proposal.

At its February 18, 1997 meeting, the Special Committee reviewed drafts relating to standards for public libraries, reports on the effectiveness of public library systems, creating a public library technology improvement aid program, creating a library lending reimbursement aid program and authorizing certain public libraries to discontinue service to residents of certain municipalities and counties. With reference to the public library technology improvement aid program, the Committee decided to send a letter to the Cochairpersons of the Joint Committee on Finance, DOA and the Governor setting forth proposed budget amendment items requested by the Committee and to have the staff draft a separate proposal including those items that are not included in the letter's budget amendment request.

At its March 17, 1997 meeting, the Special Committee reviewed all of the drafts it had tentatively approved at prior meetings and reviewed drafts requested at the February 18, 1997 meeting. The Committee then took final action on the draft legislation, as revised by the Committee at that meeting, directing the staff to draft three separate drafts as the final recommendations of the Special Committee, one draft creating a library lending incentive aid program, one draft creating a public library technology improvement aid program and one draft consisting of all of the other recommendations approved by the Committee.

C. STAFF MATERIALS

Appendix 4 lists all of the materials received by the Special Committee on Public Libraries. In addition to these listed materials, Legislative Council Staff prepared numerous bill drafts for the Special Committee and a summary of each of the Special Committee meetings. The following document, prepared by the Legislative Council Staff, may be of particular interest to persons interested in the work of the Committee:

- Staff Brief 96-2, *Overview of Public Library Laws, Services and Financing in Wisconsin* (September 26, 1996).

PART III

BACKGROUND; DESCRIPTION OF BILLS

This Part of the Report provides background information on, and a description of, the two Bills recommended by the Special Committee on Public Libraries and introduced by the Joint Legislative Council in the 1997-98 Session of the Legislature.

A. 1997 SENATE BILL 259, RELATING TO LIBRARY LENDING INCENTIVE AID AND GRANTING RULE-MAKING AUTHORITY

1. Background

One of the key issues considered by the Committee related to the need to provide adequate reimbursement for library use, including borrowing library materials, by nonresidents of a municipality or other entity paying for the library and its materials. The Committee heard testimony and received correspondence indicating that increasing numbers of nonresidents are making use of municipal libraries due, in great part, to improved transportation and the growth of housing outside municipalities. For example, Committee Member Ronald McCabe, Director of the McMillan Library in the City of Wisconsin Rapids in Wood County, stated that most of the use of that library comes from outside the city limits, with approximately 9% of the use coming from residents of Adams and Portage Counties and, within Wood County, 49% of the use coming from county residents living outside of Wisconsin Rapids (letter to the Committee dated October 9, 1996). In the letter he noted that, as of the date of the letter, 79% of the *combined* city and Wood County appropriation to the library in 1997 will be coming from the city and 21% from the county; no funding is received for use by nonresidents of neighboring counties. As Mr. McCabe notes:

It is impossible to negotiate a better contract with Wood County because the County Board members know that we will lose our library system membership if we deny service to rural users. Receiving any compensation from the county boards in Adams and Portage Counties is even less likely. [Our] library and many libraries across Wisconsin must decide each year whether to be accountable to local taxpayers or to be part of Wisconsin's library resource sharing community.

2. Description of Bill

a. Establishment; Eligibility

The Bill creates a state library lending incentive aid program, administered by DLCL in the DPI, to provide an incentive to public libraries to lend library materials to persons who reside outside the library's primary service area.

b. Calculation of Incentive Aid Amount

With reference to calculating the basic incentive amount to public libraries that are eligible under the new program, the Bill requires the DLCL to establish, by rule, a procedure for determining the number of *loans* made by each public library to persons who reside outside the library's "primary service area" (defined in the Bill) or outside the county in which the library is located. "Loan" is defined to mean a unit of service that involves the checking out of a single item from a library to an individual for use outside the library for a specific period of time (definition in s. 43.17 (11) (a)).

The payment to a library for the number of loans made is equal to the number of loans, as calculated above, multiplied by \$.50.

If the appropriation for this incentive program in any fiscal year is insufficient to pay the full amount to each eligible public library, the DOA must prorate the payments among the public libraries entitled to payments.

c. Effective Date

The Bill specifies that, if these provisions are enacted into law, the effective date of the new law is *July 1, 1999*.

B. 1997 SENATE BILL 269, RELATING TO MISCELLANEOUS CHANGES IN PUBLIC LIBRARY LAWS

1. Background

The background and current law are set forth, as needed, in the discussion of the provisions of the Bill in item 2., below.

2. Description of Bill

a. State Aids to Public Library Systems

The Bill requires DLCL to include in its budget request an amount for state public library system aids for each fiscal year of the fiscal biennium that is equal to 13% of the total operating expenditures for public library services from municipal and county sources in the prior calendar year. The budget request is reviewed by the DOA and the Governor. The Governor makes the final decisions concerning what is included in the Executive Budget Bill introduced into the Legislature.

b. Reduced Expenditure Factor in Library System Aid Formula

Under *current law*, the amount of state aid given to a particular public library system is based upon a formula consisting of three factors: (1) the area of the public library system in

square miles; (2) local expenditures for library services in the public library system; and (3) the population of the public library system. For each square mile of territory in a public library system, a single-county system receives \$8 per year and a multicounty system receives \$20 per year. Each public library system also receives 4% of total operating expenditures by counties and municipalities within the public library system for public library services in the second preceding calendar year. The area and expenditure payments for each system are totaled and subtracted from the total state library aid appropriation. The remaining amount is then divided by the population of all public library systems to establish a per capita amount. Each public library system's aid payment is computed by multiplying the public library system's population by the per capita amount and adding to this product the amounts generated by the public library system's area and expenditure factors.

The *Bill* reduces the "expenditure factor" in the public library system aid formula from 4% to 2% of the total operating expenditures by counties and municipalities within the public library system for public library services. Because of the way that state library aids are calculated, reducing the expenditure factor from 4% to 2% would not have the effect of reducing the total amount of state aids to public library systems. Rather, the change would distribute more state aid to public library systems using the population factor. See item p., below, regarding the effective date of this provision.

c. County Payment for Library Services; Exception

Except for a county having a population of 500,000 or more, the Bill requires each county that does not maintain a consolidated public library for the county and that contains residents of municipalities that do not maintain a public library to pay each public library in the county an amount to reimburse the public library 75% of the cost of providing loans to those county residents. The amount is determined by multiplying the total number of loans of material made by that public library to residents of the county who are not residents of a municipality that maintain a public library by that public library's "unit costs" of providing loans of library materials and then multiplying that amount by .75. "Unit cost" is determined by dividing the total operational expenditures of the library for the applicable period, not including capital expenditures or expenditures of federal funds, by the total number of loans of material made by the public library during that period.

d. Revised Method for Calculating County "Maintenance of Effort" Requirements

The Bill revises how county "maintenance of effort" requirements are to be calculated when a municipality that has previously been subject to the county property tax levy for library services receives an exemption from the tax under s. 43.64 (2).

Under *current law*, a county must generally maintain its financial support for library services at a level not lower than the average of the previous three years support. Property within a municipality is subject to the county property tax levy for library services unless the municipality is exempt from the tax under s. 43.64 (2). This current provision exempts property within a municipality from the tax levy for library services if the municipality appropriates and spends for a library fund a sum at least equal to the municipality's share of the tax levy for

library services in the prior year. When a municipality which has previously been subject to the county property tax levy for library services qualifies for an exemption from the tax under s. 43.64 (2), s. 43.15 (2) authorizes the county to recalculate its "maintenance of effort" requirement and reduce its financial support for library services. This reduction is computed by: (1) subtracting the previous year's equalized value of property in the municipality that has been exempted from the tax from the equalized value of property in the county for the previous year; and (2) dividing this remainder by the previous year's equalized valuation of property in the county.

Under the *Bill*, the reduction in the county's maintenance of effort requirement would be computed by subtracting the previous year's equalized value of property in the municipality that has been exempted from the tax from the equalized valuation of property within the county that was subject to the county property tax levy for library services in the prior year and dividing this remainder by the previous year's equalized valuation of property within the county that was subject to the county property tax levy for library services in that year. The effect of this change in the *Bill* will be to increase the amount by which a county may reduce its property tax levy for library services when a municipality qualifies for an exemption from the tax in situations where other municipalities within the county have also qualified for an exemption from the county property tax levy for library services.

The *Bill* also clarifies how the three-year average for "maintenance of effort" requirements is to be computed for the years preceding the year that a municipality qualifies for an exemption from the county public library tax levy.

e. Funds Not to Be Included in Determining "Maintenance of Effort" Compliance

The *Bill* provides that funding from the state, the federal government or a private source which has been designated for library service by the source may not be included in the computation to determine whether the maintenance of effort requirement has been obtained. In addition, the *Bill* provides that: (1) funding that was appropriated in a prior year by the municipality or county for library services but was not spent may not be included in the computation of whether the maintenance of effort requirement has been obtained for a succeeding year; and (2) funding for library services from a county must not be included for a municipal or joint public library in determining whether the "maintenance of effort" requirement has been attained.

As noted in item d., above, under *current law*, a municipal, county or joint public library may participate in a public library system only if it meets certain requirements, including the requirement that the library's municipal or county governing body provide funding at a level that is not lower than the average of funding provided for the previous three years (the "maintenance of effort" requirement).

f. Requirements for Municipal Exemption From County Property Tax Levy

(1) The *Bill* provides that a city, village, town or school district is exempt from the county property tax levy for library services only if the city, village, town or school district levies a property tax for library services and appropriates and expends for a library fund a sum

at least equal to an amount determined by multiplying the county property tax rate for library services in the prior year times the equalized valuation of property in the city, village, town or school district in the current year.

(2) The Bill also specifies that no city, village, town or school district is exempt from the county property tax levy for library services 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 which is a member of the public library system is not in compliance with the standards, if any, as described below.

g. Optional Standards in Plan of Library Services for County

The Bill permits the plan of library services for a county to include standards for public libraries in the county. The standards take effect if, after a public hearing, they are approved by at least 80% of the population of participating municipalities in the county. The Bill provides that a city, village, town or school district is not exempt from the county property tax levy for library services if the county board determines that the public library of the city, village, town or school district is not in compliance with standards adopted under this new provision.

h. County Library Planning Committee

(1) The Bill sets forth in detail the purposes of a county library planning committee, which purposes include: (a) initial participation in a public library system and the initial development of the county library plan; (b) developing a new county library plan or revising the plan; and (c) realignment of the system with a different public library system including the new development of a new plan as part of that realignment.

(2) Under *current law*, 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 *must* serve as the county library committee. The *Bill* specifies that: (a) this provision also applies where there is a single county public library system board; and (b) the existing library board is *permitted*, but not required, to serve as the planning committee.

i. Public Library Advisory Committee

The Bill creates a new provision in ch. 43 permitting every public library system to have a public library advisory committee to: (1) advise the system board regarding the status and needs of libraries in the system; (2) serve as a conduit of information between the system board and individual libraries in the system; and (3) make recommendations to the board relating to libraries in the system.

j. Withdrawal From and Participation in Public Library Systems

Under *current law*, if a county wishes to withdraw from a federated public library system whose territory lies within two or more counties, it must obtain the approval of the governing body of each participating municipality in the county.

The *Bill* provides that a county may withdraw from a federated public library system whose territory lies within two or more counties if it obtains the approval of the governing bodies of participating municipalities that contain at least 80% of the population of participating municipalities in the county.

k. Town Appeal of Library Board or County Board Decision Disapproving Creation of or Participation in Library

Under *current law*, any town that desires to establish a new public library or to participate in a joint library must obtain the approval of the county library board, if one exists, and the county board of supervisors.

The *Bill* permits a town to appeal to the State Superintendent of Public Instruction a decision of the county library board or the county board of supervisors that disapproves the participation by the town in a joint library with a municipality in another county. The *Bill* specifies that if there is such an appeal, the State Superintendent must:

- (1) Hold a public hearing on the appeal within 60 days of receiving notice of it; and
- (2) Decide the appeal within 30 days after the adjournment of the public hearing.

The State Superintendent may approve the participation by the town in a joint library with a municipality in another county notwithstanding the disapproval by the county library board or the county board of supervisors.

l. Report to Division on Library System Effectiveness

The *Bill* requires library boards, in their annual reports to DLCL in DPI, to include a statement indicating whether the public library system in which the library participates did or did not provide effective leadership and adequately meet the needs of the library. The report must contain an explanation of why the library board believes the public library system did or did not provide effective leadership and adequately meet the needs of the library. The DLCL is required to design the form of the statement and process the report so that it may be removed from the report and forwarded to the division prior to the time it is sent to the public library system.

m. Division Investigation of System Effectiveness

The *Bill* requires DLCL in DPI to conduct an investigation of a public library system if, in annual reports to DLCL under a provision created by this *Bill*, at least 30% of the libraries in

participating municipalities that include at least 30% of the population of all participating municipalities state that the public library system did not provide effective leadership and adequately meet the needs of the library. If DLCL determines that the public library system did not provide effective leadership and adequately meet the needs of libraries participating in the system, it must prepare a plan recommending how the public library system can do so in the future. The plan must be distributed to the public library system board, the boards of all libraries participating in the system and the county boards of all counties participating in the system. "Participating municipality" means a municipality that operates a public library and is a member of a public library system.

n. Public Library and School Library Technology Conference

The Bill creates s. 43.75, requiring the convening of a conference on issues relating to public library and school library technology on a date established by the State Superintendent of Public Instruction. Based on recommendations made by the conference, the Superintendent must make a report and a state plan and submit them to the Governor and the Legislature not later than *February 1, 1998*.

The Bill:

(1) Sets forth the required participants at the conference and permits the Superintendent or the DOA to include additional participants.

(2) Specifies that, in addition to any other public library and school library technology-related subjects the Superintendent or DOA consider appropriate, the conference must include discussions of, and make recommendations relating to, subject areas specified in the Bill.

(3) Requires that the state plan, which is to be developed by the Superintendent in consultation with DOA, be updated annually, with copies of the updates submitted to the Governor and the Legislature.

o. Miscellaneous Other Provisions

The Bill:

(1) Authorizes 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.

(2) Provides statutory recognition to the importance of technology in library resource sharing.

(3) Repeals statutory standards for administrative rules regulating public library systems and permits, rather than requires (current law), DLCL to promulgate necessary standards for public library systems.

(4) Repeals the provision in current law specifying the composition of county library planning committees.

(5) Updates county library planning requirements.

(6) Repeals language authorizing county library planning committees to dissolve.

(7) Revises minimum population requirements for public library systems.

(8) Requires that all territory within a joint library be included in the same public library system. If the territory of a joint library lies in two or more counties which are not in the same public library system, the Bill requires the joint library board or, if no such board exists, the governing bodies of the municipalities and counties forming the joint library, to determine the public library system in which the joint library will participate.

(9) Deletes a provision in current law permitting a single county public library system (federated or consolidated) to become a part of a multicounty federated system by written agreement of the county board and creates a provision permitting two systems to merge with the approval of: (a) each public library system board; (b) the county boards of the participating counties; and (c) 51% of the participating public libraries in the system.

(10) Requires that in a federated public library system whose territory lies within a single county, the system board must be: (a) *nominated* by the county executive, or by the county chairperson in a county without a county executive; and (b) *approved* by the county board. *Current law* requires the system board to be *appointed* by the county board and does not specify a nomination process.

(11) Specifies that in a federated public system whose territory lies within two or more counties, the members of the system board must be: (a) *nominated* by the county executive in each county in the system, or by the county board chairperson in each county in the system without a county executive; and (b) *approved by each county board* in the system. *Current law* requires the members of the system to be *appointed* by the county boards of the counties in the system, *acting jointly*, and does not specify a nomination process.

(12) Permits, in a system under item (11), above, the system board to consist of more than 20 members if the county boards, acting jointly, determine that each county in the system should be represented by at least two members on the board. Current law limits the board in such a system to not more than 20 members.

(13) Authorizes public library systems to develop additional service programs based on the needs of their member libraries and residents of the system area.

(14) Revises current law relating to municipal library board composition to specify that not more than two members of the board may be residents of municipalities other than the municipality that maintains the public library. Current law specifies that not more than two

members may be residents of "*towns*" *adjacent* to the municipality. Thus, this provision broadens "*towns*" to include all municipalities, does not require that the municipalities be adjacent to the municipality with the library and specifies that these municipalities do not have to have public libraries of their own.

(15) Deletes the requirement in current law that library board members be appointed for a term of years on a date which begins on the succeeding July 1.

(16) Allows public libraries to file annual reports with the governing body of the municipality and with DLCL within 60 days, rather than 30 days (*current law*), after the conclusion of the fiscal year.

p. Effective Dates

The Bill:

(1) Provides for *July 1, 1998* as the *general effective date* for provisions in the Bill.

(2) Provides that the provisions in the Bill which would *reduce the expenditure factor* in the public library system aids formula from 4% to 2% of the total operating expenditures by counties and municipalities within the public library system, do not take effect *until the second calendar year following the first fiscal year that the total amount of state aid appropriated for public library system aids equals at least 13%* of the total operating expenditures for public library services from local or county sources for the calendar year immediately preceding the calendar year for which public library system aids are paid.

WF:DLS:kjf:lah:rjl:wu;kja;jt

APPENDIX 1

JOINT LEGISLATIVE COUNCIL

s. 13.81, Stats.

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Cochairperson

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APPENDIX 2

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STUDY ASSIGNMENT: The Committee is directed to study public library funding and services, and related governance issues. The Committee is directed to report its recommendations to the Joint Legislative Council by March 1, 1997. [Based on an October 26, 1995 letter from Rep. Sheila Harsdorf; a March 20, 1996 letter from Rep. Marlin Schneider; a March 25, 1996 letter from Rep. Richard Skindrud; an April 16, 1996 letter from Rep. Doris Hanson; a May 15, 1996 letter from Reps. Charles Coleman, Luther Olsen, Tammy Baldwin, Stephen Nass and Marlin Schneider; and a June 6, 1996 letter from Sen. Calvin Potter.] Established and Chairperson appointed by a July 19, 1996 mail ballot; members appointed by September 4 and 20, 1996 mail ballots.

21 MEMBERS: 1 Senator; 4 Representatives; and 16 Public Members.

LEGISLATIVE COUNCIL STAFF: Don Salm, Senior Staff Attorney; William Ford, Senior Staff Attorney; and Julie Terry, Administrative Assistant.

DESIGNATED AGENCY LIAISON: Larry Nix (DPI).

(1) Originally appointed as an Assembly member; appointed to continue as Public Member and as Vice Chairperson by a December 3, 1996 mail ballot.