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**TESTIMONY TO JOINT FINANCE COMMITTEE HEARING IN SUPPORT OF
SENATE BILL 59—RONALD B. McCABE, APRIL 13, 1999**

I'm Ron McCabe, Director of McMillan Library in Wisconsin Rapids. I am here today to speak in favor of Senate Bill 59, which would provide an incentive aid program for libraries serving nonresident borrowers.

It was my privilege to serve on the Joint Legislative Council's Special Committee on Public Libraries which proposed this bill. When the Special Committee began its work in 1996, there was a general concern that the "wheels" on Wisconsin's developmental structure for public libraries were beginning to wobble. The absence of State funding to compensate libraries serving nonresidents was one of the critical weaknesses addressed by the Committee.

Many libraries serve large numbers of nonresidents without adequate compensation. If this situation is not addressed, funding bodies unwilling to provide free or discounted service to nonresidents may force libraries to end service to these people. Libraries ending nonresident service will lose membership in public library systems. As tensions grow throughout the state due to this unresolved problem, it is increasingly clear that the State's developmental structure for public libraries is in jeopardy. This is a very real issue for us at McMillan Library.

To demonstrate the seriousness of this problem, allow me to show how nonresident library use has affected Wisconsin Rapids. In 1998, over half of the materials loaned by McMillan Library were borrowed by those living outside the Wisconsin Rapids city limits. Despite the fact that 52.4% of our loans went to nonresidents, only 19.1% of our tax support came from this group. The funding we received for nonresidents came entirely from Wood County; we received no funding whatsoever for the 8.6% of our use benefiting nonresidents living outside our county. Although the passage of Act 150 last year will result in increased funding from Wood County in 2001, that change will require that our library be paid only 70% of the operational cost of serving county users and requires no support for our library's capital costs.

Uncompensated nonresident use is the single most serious problem our library has faced in its 109 year history. Every year we must choose between accountability to City taxpayers and continued membership in Wisconsin's library resource sharing community. Every year the pressure on municipal finances makes this choice more difficult for our library's board of trustees and for our city's common council. Although Senate Bill 59 pays for only a fraction of the cost of providing service to nonresidents, it gives libraries and their municipalities an incentive to continue the good work of extending service to neighbors who have no other access to library services. Senate Bill 59 is a creative and effective response to an important problem. I urge your approval of this measure.

Thank you for the opportunity to speak to you today.

TESTIMONY BEFORE THE JOINT FINANCE COMMITTEE
on behalf of Mead Public Library, a department of the City of Sheboygan,
presented at the Committee Hearing of April 8, 1999

I am Sharon Winkle, Director of Mead Public Library in Sheboygan. And I am here today in order to speak for passage of S.B. 59, relating to library lending incentive aid. This legislation is derived from the deliberations of the Legislative Council's Special Committee on Public Libraries which recommended in its report of May 1997 that such a bill be introduced in the Senate.

Open Access at Stake

The immediate purpose of S.B. 59 as stated by the Legislative Reference Bureau is "to provide an incentive to public libraries to lend library materials to persons who reside outside the library's primary service area". But its passage would serve a much more far-reaching goal: that of maintaining the open access to public library services for all Wisconsin residents which is achieved through public library participation in the public library systems established in the state.

That open, or universal, access (which is a matter of statewide concern) may soon end in the Eastern Shores Library System which includes Sheboygan County in its service area. The Mead Public Library Board, the City of Sheboygan's Finance Committee, and the Mayor of the City of Sheboygan may soon find themselves in the unfortunate position of recommending to the Common Council that Sheboygan's Mead Public Library no longer participate in the Eastern Shores Library System. The Library's administrative staff has established a tentative target date of January 1, 2001, for the cessation of that participation.

Of course, this decision would not be taken lightly but only as a last resort if the resolution which the Mead Public Library Board and the City of Sheboygan seek does not develop. This resolution is state and/or local financial support for the library services provided by Mead Public Library to those

residents of other area library jurisdictions who regularly and routinely rely on Mead Library as either their primary or supplemental source of public library services.

The Problem

The problem has its genesis in patterns of library use which have developed over the past twenty years -- since the formation of a public library system to serve the Sheboygan County area. Many residents of communities with libraries in Sheboygan County have come to rely on Mead Public Library as "their library". As stated in a letter dated October 8, 1996, from the President of the Mead Public Library Board to the President of the Kohler Public Library Board:

The Mead Public Library Board is concerned that Mead Public Library has been called upon to provide this service with no financial compensation and with little, if any, opportunity for reciprocal use of the Kohler Public Library [or other area libraries] by Sheboygan residents. Thus Sheboygan residents have been subsidizing public library service for Kohler [and other area] residents.

This is the problem that was brought to my attention soon after my appointment to the position of Library Director in 1991-- the concern that Sheboygan residents who fund Mead Public Library through their property tax payments were, and are, forced to finance the regular and routine use of their library by residents from other library jurisdictions without enough offsetting benefits to even roughly balance the equation. The *Sheboygan Press* of October 4, 1998, presented a good summation of the situation in its editorial which supported supplemental funding for services provided to residents of other library jurisdictions -- "Mead Library Needs Help with Non-Resident Costs" (attached).

I want to be very clear about my statement of the problem:

The Mead Public Library Board does not regard the use made of Mead Library by other area residents as unwelcome. Rather, its point is that Sheboygan residents cannot continue to bear the sole responsibility for funding that service.

Let me also be very clear about the nature of the demand for that service:

Reliance on Sheboygan's Mead Public Library by residents of other area communities with libraries is not something which happens once in awhile. It's not a need which arises only on occasion. Instead, it is service which is called for repeatedly as a matter of routine.

Statewide Solution Sought

Mead Public Library and the Eastern Shores Library System (at times individually and at times in tandem) have sought to resolve this funding inequity through a variety of means. Over the past six years, three different local committees have intensively reviewed library usage and cost data, the most recent report of which is attached to this testimony. (1997 data are presented in the attached "Excerpts: Report of the *ad hoc* Crossover Borrowing Committee of the Eastern Shores Library System Board, September 10, 15, & 16, 1998.") These committees have suggested solutions in the form of recommendations which the local parties to the problem have not yet found themselves in a position to adopt. However, a recurring theme is the desirability of a statewide solution because similar problems exist in other parts of the state and because the usage patterns which underlie the problem are the result of participation in a public library system.

Current Alternatives

At this time, the only avenues open to the City of Sheboygan are 1) to continue the current (and longstanding) practice wherein Sheboygan residents pay for the regular and routine use of Mead Public Library by other area residents from communities with libraries, or 2) to withdraw Mead Public Library from participation in the Eastern Shores Library System thereby ceasing to provide the unfunded service. A third alternative -- to reduce Mead Public Library service so that it no longer attracts the use of area residents -- would be laughable if it had not actually been suggested by a representative of one such community.

Neither of the first two alternatives is attractive nor conducive to productive cooperation between the City of Sheboygan and other governmental subdivisions in the county. Neither of them provides a firm foundation on which to further the state's interest in universal access to public library service. And the third alternative flies completely in the face of the reason public library systems were established in the first place -- for the improvement of library service to all their residents.

S.B. 59 as "Double Incentive"

I regard the adoption of the program outlined in S.B. 59 -- the library lending incentive -- as one of the last chances for maintaining open access to public library service for all residents in the Sheboygan County area. If enacted, the funding S.B. 59 is projected to provide directly to Mead Public Library would allow the Library's administrative staff to recommend that Mead Public Library continue its participation in the Eastern Shores Library System.

Furthermore it would demonstrate the state's position that it is appropriate to compensate public libraries for the services they provide to residents of other library jurisdictions -- leading the way to the possibility of local matching, or supplemental, funds. Thus enactment and implementation of S.B. 59 would not only provide an incentive for public libraries to continue open access but also for municipalities to cooperate, along with the state, in funding crossover use by their residents.

But, most importantly, adoption of S.B. 59 would mean that open access across community boundaries, which is the epitome of interlibrary cooperation, could continue in Wisconsin without placing an undue financial burden on any particular group of the state's residents.

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Mead Library needs help with non-resident costs

The fact that people from all over Sheboygan and Ozaukee counties can borrow books and other materials from any library in the two counties is a good thing.

The fact that crossover borrowers from other cities and villages with libraries in the two-county Eastern Shores Library System are costing the city of Sheboygan more than \$150,000 per year is not.

This is the reason the regional library system and the state are working on ways to reimburse Sheboygan for its costs in serving crossover borrowers.

Townships and other communities without their own libraries are already required under a new state law to reimburse communities with libraries for at least 70 percent of the costs of the circulation of materials.

Sheboygan's Mead Public Library loaned 61,961 items to crossover borrowers last year. In contrast, city residents borrowed only 4,376 items from the other seven libraries in the county.

Eastern Shores is considering a proposal to phase in relief payments to the Sheboygan, Grafton and Mequon libraries from the 10 other libraries in the system. Sheboygan County communities that would pay such relief are Cedar Grove, Elkhart Lake, Kohler, Oostburg, Plymouth, Random Lake and Sheboygan Falls.

The relief, however, would not cover the full costs of crossover borrowing. It would total \$23,413 for all three libraries in 2000, the first year it would be in effect and would increase by \$23,413 per year for five years.

More help for libraries like Mead in paying for non-resident borrowing (both from communi-

ties with and without their own libraries) could be provided if the state Legislature approves a bill introduced last session by former Sen. Cal Potter's Legislative Council. That bill would reimburse districts by up to 50 cents for each book or item borrowed by a non-resident. Based on 1997 circulation, this could mean an additional \$112,631 for Mead Library, according to Sharon Winkle, director of the library.

Potter, who is now the state Department of Public Instruction's assistant superintendent for libraries and community learning, said his department will push for the state subsidy for non-borrowers in the next state budget.

It's important to Mead and city of Sheboygan taxpayers that both the Eastern Shores payments and state payments are OK'd.

The library got no budget increase from the city in 1998, Winkle said. In order to deal with wage increases, Winkle had to increase fees on overdue materials, eliminate an administrative position and cut back on overtime. For next year, the 1.5 percent budget increase leaves the library with a \$53,000 shortfall, she said.

Continued budget shortfalls could force the library to close 9 1/2 more days each year or make other cutbacks in service, according to Winkle.

All of us would lose in such service cutbacks.

Compensation from the Eastern Shores System and the state for the costs of serving non-resident borrowers would help the library maintain a high level of services.

And it would be the fairest way to pay for providing books and materials to the non-residents.

Press editorials express the views of the newspaper's editorial board. Readers are encouraged to comment on editorials through letters to the editor.

Excerpts:

REPORT OF THE *AD HOC*
CROSSOVER BORROWING
COMMITTEE

OF THE
EASTERN SHORES
LIBRARY SYSTEM BOARD

September 10, 15, & 16, 1998

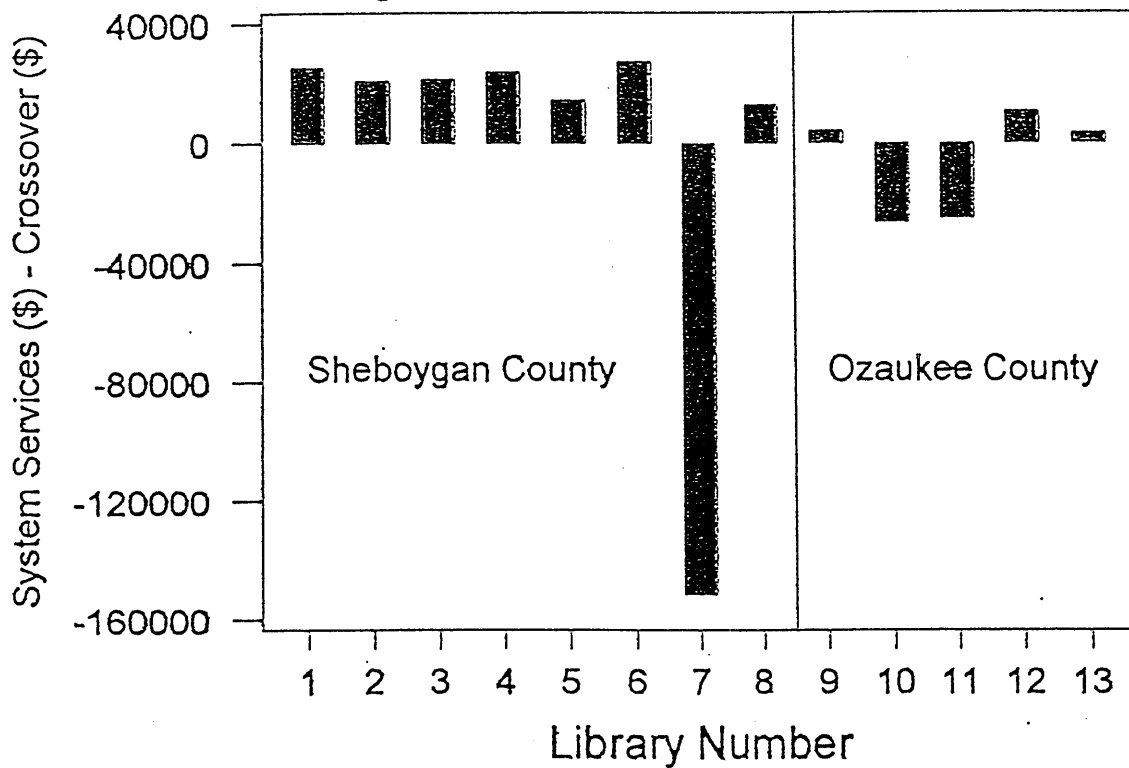
Example: Net Cross-over at Libraries (1997 Data)

	Cross-over borrowing by Muni.Residents	Cross-over use at Library	Difference
1 Cedar Grove	3,946	958	2,988
2 Elkhart Lake	3,977	15	3,962
3 Kohler	18,715	1,235	17,480
4 Oostburg -	6,215	382	5,833
5 Plymouth	12,582	4,953	7,629
6 Random Lake	9,673	340	9,333
7 Sheboygan	4,376	61,961	(57,585)
8 Sheboygan Falls	18,225	8,787	9,438
9 Cedarburg	38,748	16,326	22,422
10 Grafton	23,251	37,874	(14,623)
11 Mequon	7,975	17,058	(9,083)
12 Port Washington	14,254	12,189	2,071
13 Saukville	11,145	11,004	141
Subtotal	173,082	173,082	0
Bookmobile	3,429	3,429	
Total	176,511	176,511	0

Value of System Benefits and Crossover Costs by Library (1997)

Library	A Value	B Crossover	A - B Difference
Cedar Grove	\$26,833	\$1,280	\$25,553
Elkhart Lake	20,994	39	20,955
Kohler	23,814	2,040	21,774
Oostburg	25,564	480	24,084
Plymouth	28,867	14,422	14,445
Random Lake	28360	744	27,616
Sheboygan	<i>86,590</i>	<i>238,380</i>	<i>-151,790</i>
Sheb. Falls	28,273	15,325	12,948
Cedarburg	35,350	30,959	4,391
Grafton	<i>40,162</i>	<i>66,484</i>	<i>-26,322</i>
Mequon	<i>26,191</i>	<i>51,248</i>	<i>-25,057</i>
P. Washington	29,683	18,888	10,795
Saukville	24,718	21,361	3,357

Value of System Services less Crossover Costs Eastern Shores System by Library (1997)



lj.peneski

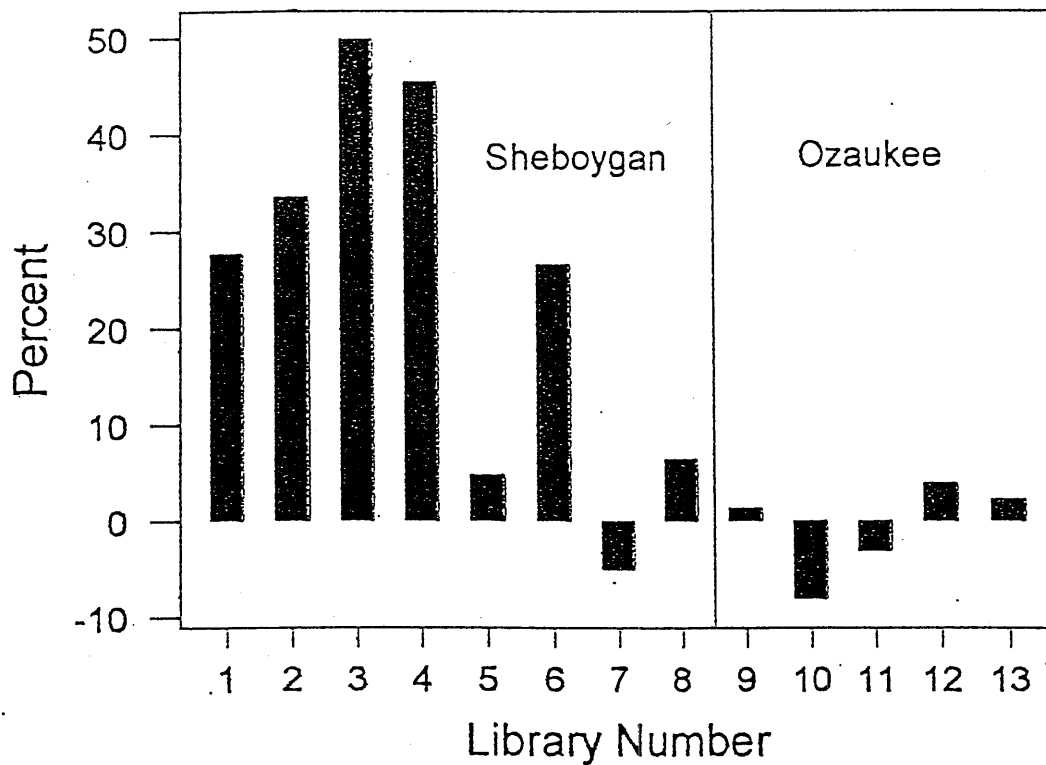
Sheboygan County

1. Cedar Grove Public Library
2. Elkhart Lake Public Library
3. Kohler Public Library
4. Oostburg Public Library
5. Plymouth Public Library
6. Lakeview Community Library
7. Mead Public Library
8. Sheboygan Falls Memorial Library

Ozaukee County

9. Cedarburg Public Library
10. U.S.S. Liberty Memorial Public Library
11. F.L. Weyenberg Library of Mequon-Thiensville
12. W.J. Niederkorn Library
13. Oscar Grady Public Library

Value of System Services - Crossover Costs (1997) Percent of Operating Budget by Library



l.j.peneski
Eastern Shores Library System

Sheboygan County

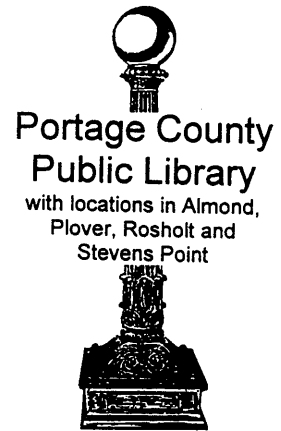
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Net Municipal Resident Use of Libraries Seeking Cross-Over
Relief

<u>Library</u>	<u>Mead</u>	<u>Grafton</u>	<u>Mequon</u>
Cedar Grove	2,146	190	13
Elk. Lake	2,018	0	0
Kohler	13,885	0	0
Oostburg	5,628	3	4
Plymouth	11,779	0	0
Random Lake	4,891	96	115
Sheboygan	0	-372	-195
Sheb. Falls	14,086	4	0
Cedarburg	486	15,002	7,379
Grafton	372	0	1,393
Mequon	195	-1,393	0
P. Washington	1,827	2,386	702
Saukville	272	-1,293	-328



April 12, 1999

Wisconsin Legislature
Joint Finance Committee
Public hearing; UW-Stevens Point University Center Alumni Room.
April 13, Stevens Point

Dear Members of the Joint Finance committee:

Please support SB-59, full funding of Library System aids, and funding for the operation of the Regional Library for the Blind and Physically Handicapped and the Wisconsin Inter Library Services (WILS).

SB-59 helps fund a heretofore unfunded state mandate by reimbursing public libraries approximately 50 cents per item loaned to non-property taxpayers of the municipality funding the library. This bill is similar to SB 259 which was recommended by the Legislative Council and which passed the Senate but not the Assembly in the last session.

In 1998 the legislature passed and the Governor signed SB 269 which required the Department of Public Instruction to request funding for public library systems at the 13% level. Full funding of this 13% indexing factor for library system aids is greatly needed. The current index of state aid to local and county aid for public library service dropped to approximately 10%. Reduced and inadequate state funding for public library systems passes costs down to the local level which can ill afford the additional expense, and places at risk a program of library access and resource sharing developed over many decades. Please support the Department of Public Instruction request for an additional \$5,141,200 GPR in 2000 and \$6,244,700 GPR in 2001 to fund public library systems.

The operation of the Regional Library for the Blind and Physically Handicapped and the Wisconsin Inter Library Services (WILS) are important services to residents of the State. This are essential services which deserve your support.

Thank you for your support of SB59 and library related funding requests.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Stack", is written over a faint, dotted line.

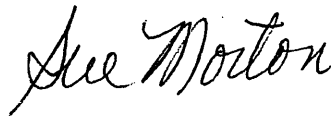
Robert J. Stack
Director

Please accept this written testimony in support of Library legislation.

SB 59 is important to Wood County libraries in that Marshfield Public Library and McMillan Memorial Library in Wisconsin Rapids would benefit at the rate of 50 cents for each item circulated to individuals other than their own taxpayers. Both libraries circulate considerable items to library users outside of their municipalities, so this would be an important financial benefit to them. As a Wood County Library Board member of many years, I know that this financial assistance would also help to relieve a financial burden to these libraries.

Wood County also would benefit from funding of System aids at the full statutory level. The South Central Library System, to which Wood County belongs, provides a model delivery system. Everyone should be happy to see SCLS's red delivery trucks. Library users in our county benefit greatly from the delivery service, as well as other services the System provides.

I urge your support of these pieces of legislation which would benefit Wood County libraries and their users.



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