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👉 Details: Legislative Audit Bureau Best Practices Review: Public Library Services

(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2007-08

(session year)

### Joint

(Assembly, Senate or Joint)

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\* Contents organized for archiving by: Stefanie Rose (LRB) (October 2012)



STATE OF WISCONSIN

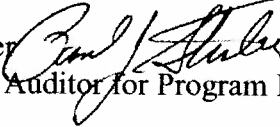
Legislative Audit Bureau

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Janice Mueller  
State Auditor

DATE: April 14, 2008

TO: Nicole Hudzinski and Pamela Matthews  
Committee Clerks to the Joint Legislative Audit Committee

FROM: Paul J. Stuibert   
Deputy State Auditor for Program Evaluation

SUBJECT: Best Practices Review: Public Library Services

Enclosed is our Best Practices Review of Public Library Services. Section 13.94(8), Wis. Stats., directs the State Auditor to undertake periodic reviews of local government service delivery to identify best practices.

Wisconsin has 388 public libraries, and each belongs to one of 17 regional library systems. In 2006, libraries and systems employed more than 3,200 full-time equivalent staff, and their operating expenditures totaled \$210.4 million.

The 17 regional library systems provide a variety of services, such as interlibrary loans of materials, reference assistance, and consulting services to member libraries. More than one-half of the libraries we surveyed indicated an online catalog is the most valuable service provided by their regional library system.

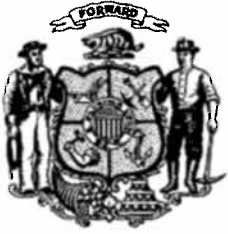
Statewide, the number of library materials circulated increased from 53.3 million items in 2002 to 59.6 million in 2006, or by 11.8 percent. Libraries have responded to the increase by installing self-checkout machines, cross-training staff, and using volunteers to address staffing needs.

The report identifies numerous best practices for regional library systems and public libraries to consider. For example, we identified best practices related to collaboration among systems, effectively using volunteers, securing adequate technology support, periodically assessing patron needs, and assessing library performance using standard measures.

This report will be released on Tuesday, April 15<sup>th</sup>, at 9:00 a.m. If you have any questions, please contact us.

PS/bm

Enclosures

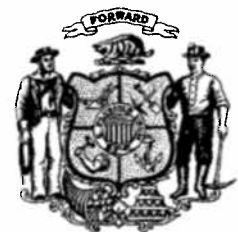


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**April 2008**

Best Practices Review

## **Public Library Services**

### **2007-2008 Joint Legislative Audit Committee Members**

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Julie Lassa  
Mark Miller  
Alan Lasee  
Robert Cowles

Assembly Members:

Suzanne Jeskewitz, Co-chairperson  
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Reports are submitted to the Joint Legislative Audit Committee and made available to other committees of the Legislature and to the public. The Audit Committee may arrange public hearings on the issues identified in a report and may introduce legislation in response to the audit recommendations. However, the findings, conclusions, and recommendations in the report are those of the Legislative Audit Bureau. For more information, write the Bureau at 22 E. Mifflin Street, Suite 500, Madison, WI 53703, call (608) 266-2818, or send e-mail to [leg.audit.info@legis.wisconsin.gov](mailto:leg.audit.info@legis.wisconsin.gov). Electronic copies of current reports are available at [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab).

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State Auditor – Janice Mueller

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- Appendix 2—2006 Wisconsin Library Statistics
- Appendix 3—Selected DPI Library Standards
- Appendix 4—Service Levels of Wisconsin Libraries



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Janice Mueller  
State Auditor

April 15, 2008

Senator Jim Sullivan and  
Representative Suzanne Jeskewitz, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator Sullivan and Representative Jeskewitz:

We have completed a best practices review of local government operations, as directed by s. 13.94(8), Wis. Stats. This report focuses on public library services provided by Wisconsin's municipalities and counties, with support from the Department of Public Instruction (DPI). Wisconsin has 388 public libraries, which are funded primarily with municipal and county taxes, as well as 17 regional library systems supported by state aid. These libraries and systems employed more than 3,200 full-time equivalent staff in 2006, when their operating expenditures totaled \$210.4 million.

The 17 regional library systems are statutorily required to provide specific services, such as interlibrary loans of materials, reference assistance, and consulting services to member libraries. Consulting services include assistance with promoting library use, addressing the needs of users with special needs, and evaluating current and future building and space requirements. The regional library systems also provide libraries with technology support, which includes troubleshooting and consulting for purchases of software and hardware. More than one-half of the libraries we surveyed indicated an online catalog is the most valuable service provided by their regional library system.

Through surveys and interviews with the directors of individual libraries and all 17 regional library systems, we identified best practices related to collaboration among systems, effectively using volunteers, securing adequate technology support, and periodically assessing patron needs.

We appreciate the courtesy and cooperation extended to us by DPI, the regional library system directors, and the many public library directors who responded to our survey and our additional requests for information.

Respectfully submitted,

Janice Mueller  
State Auditor

JM/PS/ss



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## Report Highlights ■

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***In 2006, libraries received \$230.0 million in municipal, county, state, and other funds.***

***Regional library systems provide interlibrary loans, reference assistance, and other services to libraries.***

***Circulation of library materials increased 11.8 percent from 2002 to 2006.***

***DPI has issued standards to help libraries plan for future activities and assess their relative performance.***

Local governments have the statutory authority to establish libraries that are supported primarily by public funds and are intended for use by the general public. These public libraries provide a variety of services that commonly include lending print, audio, video, and other materials to the public, as well as providing research services and Internet access.

Under s. 13.94(8), Wis. Stats., the Legislative Audit Bureau is required to conduct reviews to identify local government practices that can save costs or provide for more effective service delivery. Best practices reports seek to build upon successful local efforts by identifying and publicizing efficient approaches. This report, which focuses on the provision of library services:

- summarizes funding and statutory requirements for libraries and regional library systems, which provide specific services and programs that may not be offered by local libraries, under ch. 43, Wis. Stats.;
- analyzes financial and other data that libraries and regional library systems are statutorily required to report to the Department of Public Instruction (DPI), which provides support to libraries and regional library systems;

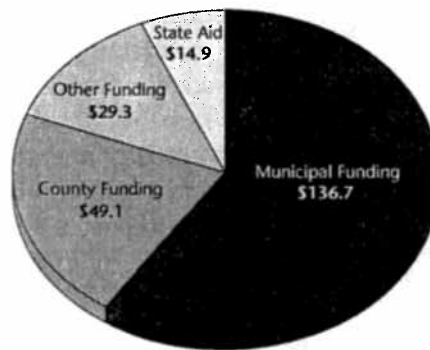
- includes information from interviews with 21 public library and all 17 regional library system directors, as well as representatives of the Wisconsin Library Association and League of Wisconsin Municipalities; and
- reports results from 180 of the 388 library and all 17 regional library system directors who responded to our online surveys.

### Funding Library Services

Libraries and regional library systems are funded with municipal and county taxes; state and federal aid; income from contracts, donations, gifts, fees, fines; and special fund-raising activities by “friends” and foundation groups. Funding for library services increased 14.0 percent over the five-year period from 2002 through 2006, from \$201.7 million to \$230.0 million. In 2006, municipalities provided 59.4 percent of total funding, or \$136.7 million, as shown in Figure 1. Expenditures for library services totaled \$210.4 million, of which 70.6 percent was for employee salaries and benefits.

Figure 1

2006 Funding for Libraries and Regional Library Systems  
(in millions)



Wisconsin's 17 regional library systems were established to increase access to library materials and services for Wisconsin residents and promote resource sharing among public libraries. They are funded by state aid, which includes general purpose revenue (GPR) and segregated revenue from the Universal Service Fund and is distributed by DPI. Each system receives the same percentage increase in funding each year. The Milwaukee County Federated Library System receives the largest share, which was \$2.7 million in 2006.

## **Regional Library Systems**

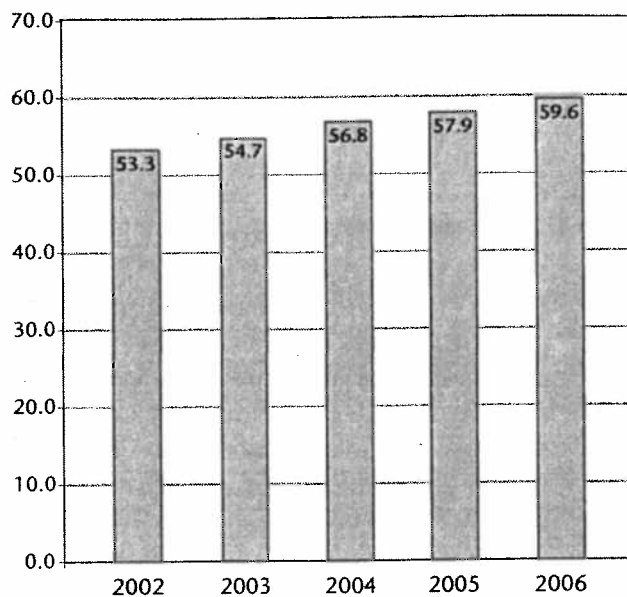
Under state statutes, regional library systems are required to provide services such as interlibrary loans of materials, reference assistance, and consulting services to member libraries. Most member libraries provide access to online catalogs that allow patrons to view collections and request materials from other member libraries within their system. More than one-half of libraries responding to our survey indicated that these online catalogs are the most valuable service provided by systems.

The regional library systems also offer assistance with technology support, administrative issues, public relations, and collection development. These services may be provided directly by the system, by a resource library within the system, or collaboratively among systems. For example, four systems currently collaborate to provide online catalogs, and most systems work together to provide joint workshops for training library staff.

## **Providing Library Services**

Statewide, the number of library materials circulated increased 11.8 percent in five years, from 53.3 million in 2002 to 59.6 million in 2006. Libraries have responded to the increase, which is shown in Figure 2, by installing self-checkout machines, cross-training staff, and using volunteers to address staffing needs.

Figure 2

**Circulation of Library Materials**  
(in millions)

Libraries have also developed their collections and services to address the needs of various groups of users and demographic shifts within communities. For example, some libraries have begun purchasing more large-print and audio books or providing materials to local nursing homes and senior centers. Others maintain special collections in Spanish or Hmong, or offer a bilingual story hour, because of an increase in non-English speaking residents.

Providing computers with Internet access is one of the most popular services offered by libraries. The number of public-access computers at libraries increased 20.3 percent, from 4,477 in 2002 to 5,386 in 2006, and 53.9 percent of the libraries that responded to our survey indicated a need for additional Internet-connected computer terminals to meet patrons' needs. More than 50.0 percent of libraries responding to our survey have provided wireless Internet service for patrons with their own computers or set time limits on the use of existing computers in order to meet demand.

## Library Service Standards

In 2005, DPI issued service standards to help local libraries plan for future activities and assess their performance relative to all public libraries in Wisconsin. We found that 32 libraries, or 8.4 percent, did not offer basic levels of service for any of the four standards we reviewed. In contrast, three libraries met the highest levels of service for all of the standards we reviewed.

### Best Practices

It is a best practice for regional library systems to:

- ☑ encourage all member libraries to participate in systemwide online catalogs of library materials (*p. 34*);
- ☑ assist their member libraries in maintaining current information technology (*p. 36*);
- ☑ periodically identify services needed by member libraries' patrons (*p. 39*);
- ☑ periodically evaluate the type and amount of services provided by resource libraries and assess whether the amounts paid for these services are appropriate (*p. 41*); and
- ☑ explore additional opportunities for collaboration with other systems that can lead to more efficient and lower-cost delivery of services (*p. 42*).

It is a best practice for libraries to:

- ☑ support their services with an array of funding sources and consider the formation of friends and foundation groups to assist with fund-raising and provide volunteer support (*p. 26*);
- ☑ periodically evaluate cross-training and centralizing responsibilities as means for staff to serve patrons more effectively (*p. 44*);
- ☑ assess the extent to which volunteers can be effectively used to assist in providing library services (*p. 45*);

## 8 ■ ■ ■ ■ REPORT HIGHLIGHTS

- ☑ periodically review their collections to identify and remove materials that are not being circulated, and use rotating collections or other means to provide access to more extensive or specialized materials from other libraries (*p. 46*);
- ☑ periodically assess and modify their services in order to best address the changing needs of patrons (*p. 48*);
- ☑ encourage the use of electronic resources, such as online databases and library catalogs, and participate in their regional library system's online catalog (*p. 49*);
- ☑ periodically evaluate the use of technology and automation for serving patrons and reducing the need for additional staff, as well as the availability of technology support from both library and system staff (*p. 51*); and
- ☑ inform local officials and the general public, through local media outlets and the Internet, about the programs and services they provide (*p. 52*).

It is a best practice for libraries, library boards, and local governing bodies to:

- ☑ use DPI library standards to help assess the adequacy of current library services and assist in planning efforts (*p. 54*).

■ ■ ■ ■





WISCONSIN STATE LEGISLATURE

**Joint Legislative Audit Committee**

Committee Co-Chairs:  
State Senator Jim Sullivan  
State Representative Suzanne Jeskewitz

For Immediate Release

April 15, 2008

**Review Identifies Best Practices for Delivering Public Library Services**

(Madison) Today, the nonpartisan Legislative Audit Bureau (LAB) released a best practices review of Public Library Services. In its review, LAB examined funding for libraries and regional library systems, analyzed financial and other data the libraries report to the Department of Public Instruction (DPI), and surveyed library directors and system directors. LAB identified a number of best practices related to ensuring collaboration among systems, effectively using volunteers, securing adequate technology support, and periodically assessing patron needs.

Wisconsin has 388 public libraries, which are funded primarily with municipal and county taxes, and they each belong to 1 of 17 regional library systems supported by state aid. Statewide, the number of library materials circulated increased from 53.3 million items in 2002 to 59.6 million items in 2006, or by 11.8 percent. LAB identifies best practices for public libraries to consider, such as the installation of self-checkout machines, cross-training staff, and using volunteers to help address staffing needs.

"As an avid reader, I am continually amazed at the wealth of materials at my disposal through my federated library system," said Co-Chair Sue Jeskewitz, (R-Menomonee Falls). "This best practice audit does a remarkable job of identifying what is great about Wisconsin's libraries as well as pointing out a few areas where changing technology may necessitate reevaluating how and where we should be allocating our limited resources in the future."

Providing computers with Internet access is one of the most popular services offered by libraries. The number of public-access computers at libraries increased from 4,477 in 2002 to 5,386 in 2006, or by 20.3 percent. Of the libraries that responded to an LAB survey, 53.9 percent indicated a need for additional Internet-connected computer terminals to meet patron needs.

In 2005, DPI issued service standards to help local libraries plan for future activities and assess their performance. LAB found that three libraries met the highest levels of service for all four of the standards reviewed. However, 32 libraries, or 8.4 percent, did not offer basic levels of service for any of the standards reviewed.

"Libraries are a historic cornerstone of our democracy and essential in promoting shared access to information," said Co-Chair Jim Sullivan (D-Wauwatosa). "We are in an information economy, and we must continue to maintain a library system which ensures that information is available to anyone seeking it. I hope that through some of the suggestions put forth in this audit we are able to run our library system more efficiently, continuing to strive toward that goal."

This review of public library services is the eighth best practices review released by LAB since 1996. LAB periodically conducts reviews of local governments and identifies procedures and practices that can save money or provide more effective service delivery. Copies of best practices reviews may be obtained from LAB's Web site at [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab) or by calling (608) 266-2818.

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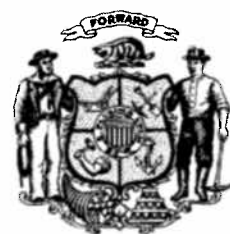
SENATOR SULLIVAN  
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# WISCONSIN STATE LEGISLATURE



**8. PUBLIC LIBRARY SYSTEM AID FROM THE UNIVERSAL SERVICE FUND**

**Governor:** Delete \$11,297,400 GPR and provide \$11,297,400 SEG from the universal service fund (USF) in 2008-09 for public library system aid. Public library system aid under 2007 Act 20 totals \$16,138,000 (\$2,097,400 GPR and \$14,040,600 SEG) in 2007-08 and \$16,783,500 (\$11,297,400 GPR and \$5,486,100 SEG) in 2008-09. The universal service fund receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. The effect of the Governor's recommendation would be to replace all general fund supported library aids with funds from the USF in 2008-09. The amounts that the Public Service Commission (PSC) would assess telecommunications providers related to the USF would increase by \$11,297,400 (from a total of \$32,038,400 to \$43,335,800) in 2008-09 under this recommendation.

Change to Current Law	
SEG-REV	\$11,297,400
GPR	-\$11,297,400
SEG	<u>11,297,400</u>
Net	\$0

**Assembly:** No provision.

**Senate:** Include the Governor's provision. In addition, require the PSC to determine the difference between the total contributions to the USF for library aid and \$5,486,100 (this calculation equals \$11,297,400 in 2008-09) and prohibit telecommunications utilities from recovering any assessment resulting from that calculation from their customers or by adjusting their local exchange rates.

Change to Current Law	
SEG-REV	\$11,297,400
GPR	-\$11,297,400
SEG	<u>11,297,400</u>
Net	\$0

**9. BUDGET STABILIZATION FUND TRANSFER**

**Governor:** Authorize the Secretary of the Department of Administration (DOA) to transfer moneys from the budget stabilization fund to the general fund during either year of the 2007-09 biennium, if the projected gross balance in the general fund is less than \$65 million in that year. The administration indicates that \$9 million in 2007-08 and \$12.7 million in 2008-09 would be transferred to the general fund under this provision.

Change to Current Law	
GPR-REV	\$21,700,000

**Assembly/Senate:** Transfer \$55 million of the amount in the budget stabilization fund (currently at \$57.5 million) to the general fund 2007-08.

Change to Current Law	
GPR-REV	\$55,000,000

**10. STATUTORY BALANCE**

**Governor:** No provision.

**Assembly:** Reduce the required statutory balance from \$65 million to \$20 million for 2007-09.

Change to Current Law	
Req. Statutory Balance	-\$45,000,000

comparison, the net present value of the revenues that would be received by the state under the proposed transaction would be an estimated \$94 million less than under current law.

**7. PUBLIC LIBRARY SYSTEM AID FROM THE USF**

**Summary of Provision**

Delete \$11,297,400 GPR and provide \$11,297,400 SEG in 2008-09 for public library system aid. Public library system aid under 2007 Act 20 totals \$16,138,000 (\$2,097,400 GPR and \$14,040,600 SEG) in 2007-08 and \$16,783,500 (\$11,297,400 GPR and \$5,486,100 SEG) in 2008-09. The segregated revenue is from the universal service fund (USF), which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. The effect of the Governor's recommendation would be to replace all general fund supported library aids with funds from the USF in 2008-09. The amounts that the Public Service Commission (PSC) would assess telecommunications providers related to the USF would increase by \$11,297,400 (from a total of \$32,038,400 to \$43,335,800) in 2008-09 under this recommendation.

Change to Current Law	
SEG-REV	\$11,297,400
GPR	-\$11,297,400
SEG	<u>11,297,400</u>
Net	\$0

[Bill Section: 9237(1)]

**Discussion**

Total USF assessments are budgeted at \$31,591,600 in 2007-08 and \$32,038,400 in 2008-09. In addition, Act 20 specified that \$9,200,000 SEG from the 2006-07 USF ending balances (unused portions of prior assessments) would be used to offset a portion of GPR funding for public library system aids in 2007-08. Because this \$9,200,000 was taken from carryover balances in the USF, it did not result in a rate increase in assessments. In contrast, the increase of \$11,297,400 SEG for public libraries recommended by the Governor would result in an equal increase in USF assessments on telecommunications providers. Telecommunications providers are allowed to fully recover their share of USF assessments, including funding provided for public library systems, through a "pass-through" adjustment applied only to subscribers' local exchange service rates.

The USF currently funds universal telecommunications services programs under the PSC, the telecommunications access program under the Department of Administration (DOA), BadgerLink and public library system aid under the DPI, and BadgerNet under the University of Wisconsin System. The PSC requires telecommunications providers to contribute annually to the USF to support the provision of essential telecommunications services and advanced telecommunications service capabilities in the state. The assessment must be sufficient to fund the amounts appropriated under the statutorily enumerated DPI, PSC, DOA, and UW System telecommunications-related appropriations. Except \$6 million annually related to universal telecommunications service programs under the PSC, all of these assessments may be recovered through the "pass-through" assessment on subscribers.