



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 3, 2007

Joint Committee on Finance

Paper #662

Library Service Contracts (DPI -- Administrative and Other Funding)

Bill Agency

[LFB 2007-09 Budget Summary: Page 475, #8]

CURRENT LAW

Under current law, the Department of Public Instruction (DPI) is required to maintain contracts with the Milwaukee Public Library, Wisconsin Library Services, Wisconsin Regional Library for the Blind and Physically Handicapped, and the Cooperative Children's Book Center. These contracts provide statewide access to specialized library materials and services that would otherwise not be available in public libraries.

GOVERNOR

Provide \$257,300 GPR in 2007-08 and \$220,300 GPR in 2008-09 above base level funding of \$876,900 for library service contracts.

DISCUSSION POINTS

1. Under current law, the State Superintendent is required to contract for services with libraries and other resource providers in and outside of this state to serve as sources of specialized library materials and information not available in public libraries or from the state Reference and Loan Library operated by DPI. Four library service contracts are funded from the same appropriation under DPI.

2. Wisconsin Library Services (WiLS) is a consortium of 500 Wisconsin libraries that coordinates resource sharing and cooperative purchasing among member libraries. Member

libraries include the libraries of the University of Wisconsin-Madison, private academic libraries, and the State Historical Society Library. WiLS and the Milwaukee Public Library (MPL) lend materials to all parts of the state in response to requests forwarded by the Reference and Loan Library or public library systems, providing access to the major collections held by these libraries for patrons statewide. State contract funds are used to pay for staff to locate, ship, and shelve materials, and for postage to ship materials.

3. The State Superintendent is also required to contract annually with a public library for the provision of library services to physically handicapped persons, including the blind. In order to fulfill this requirement, DPI contracts with the Wisconsin Regional Library for the Blind and Physically Handicapped (Regional Library), which is located at the Milwaukee Public Library. The Regional Library provides specialized services and materials to blind and physically handicapped persons throughout the state. The Library of Congress provides the Regional Library with full-length books and magazines in Braille and on recorded disc and cassette, but the state must provide for processing, maintaining, and circulating these materials.

4. The Cooperative Children's Book Center (CCBC), located at the School of Education at UW-Madison, is a children's literature research library that provides educational and informational services, based on its collections, to children's librarians, teachers, faculty, and researchers statewide. The CCBC receives its funding from the School of Education, and the state contract partially funds its staff and operations.

5. The Governor's recommendations for the 2001-03 state budget adjustment bill included a provision to reduce the public library service contracts appropriation by 5%, as part of state operations across-the-board reductions. As part of its budget deliberations, the Joint Committee on Finance exempted the contract with the Regional Library from the across-the-board reduction. As a result, under 2001 Act 109, the library service contracts appropriation was reduced by \$15,600, from \$1,047,300 in 2001-02 to \$1,031,700 in 2002-03.

6. The biennial state budget, 2003 Act 33, made several base budget reductions to DPI appropriations, and the library service contracts appropriation was reduced by 15%, to \$876,900 in 2003-04. The appropriation has since been level-funded. In its 2005-07 agency budget request, DPI requested an increase of \$154,800 annually to increase the appropriation to its 2002-03 funding level. However, the request was not included in the Governor's budget recommendations.

7. To accommodate the funding reductions made in 2002-03 and 2003-04, DPI reduced the interlibrary loan contracts with WiLS and MPL significantly. Because there is a per-transaction charge for those services, fewer materials from UW and private academic libraries are now circulated statewide. The MPL contract amount has been decreased by approximately 42%, and the contract with WiLS was reduced by 76%, compared with their 2001-02 funding levels, prior to any funding reductions. Contracts with CCBC and the Regional Library were also slightly reduced, by 3.5% and 0.4%, respectively. The following table shows the current base level funding by contract, as well as the contract amounts that DPI requested and that the Governor recommended under the bill for the 2007-09 biennium.

Library Services Contract Amounts

	<u>Base Year</u>	<u>Governor's Recommendation</u>	
		<u>2007-08</u>	<u>2008-09</u>
Regional Library for the Blind and Physically Handicapped	\$733,600	\$911,600*	\$868,300
Cooperative Children's Book Center	62,700	75,000	77,000
Wisconsin Library Services	43,100	96,000	99,000
Milwaukee Public Library	<u>37,500</u>	<u>51,600</u>	<u>52,900</u>
 Total	 \$876,900	 \$1,134,200	 \$1,097,200

*Includes \$50,000 of one-time funding for equipment.

8. The WiLS funding levels are based on estimated costs to fulfill approximately 15,000 transactions per year. The CCBC amounts are the estimated costs to continue existing services. The Regional Library and MPL funding amounts are primarily based on estimates of costs to continue current services. However, \$50,000 in 2007-08 and \$10,000 in 2008-09 for the Regional Library would provide for the purchase and maintenance of a dedicated server to receive and store digital copies of audio versions of print materials. This new "digital talking book" technology is being developed by the Library of Congress, in order to provide audio materials that are higher-quality and can be produced and distributed more quickly than the analog recorded materials currently used. While the Library of Congress plans to make these materials available, states and regional libraries for the blind are not required to adopt this technology. The Committee could, therefore, choose not to fund this purchase at this time.

9. Alternatively, the Committee could choose to restore the appropriation to its 2002-03 funding level at this time, which would represent reductions to the bill of \$102,500 in 2007-08 and \$65,500 in 2008-09. This option would increase base level funding by \$154,800 annually, for a total of \$1,031,700 annually. Such an increase would partially fund costs to continue current statewide library services, and restore a portion of the services that have been reduced over the past four years. This option would not include funding for the digital talking book server at the Regional Library.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$257,300 in 2007-08 and \$220,300 in 2008-09 above base level funding of \$876,900 for library service contracts.

ALT 1	Change to Bill Funding	Change to Base Funding
GPR	\$0	\$477,600

2. Modify the Governor's recommendation to delete \$50,000 in 2007-08 and \$10,000 in 2008-09 related to the purchase of a dedicated server for digital talking books at the Regional Library for the Blind and Physically Handicapped.

ALT 2	Change to Bill Funding	Change to Base Funding
GPR	- \$60,000	\$417,600

3. Modify the Governor's recommendation to delete \$102,500 in 2007-08 and \$65,500 in 2008-09. This alternative would provide \$154,800 annually above the base level and restore the library service contracts appropriation to its 2002-03 funding level.

ALT 3	Change to Bill Funding	Change to Base Funding
GPR	- \$168,000	\$309,600

4. Delete provision.

ALT 4	Change to Bill Funding	Change to Base Funding
GPR	- \$477,600	\$0

Prepared by: Layla Merrifield