



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #746

County Law Libraries (Supreme Court)

[LFB 2023-25 Budget Summary: Page 611, #6]

CURRENT LAW

Since the late 1990s, the Director of State Courts Office (DSCO) has maintained contracts with Milwaukee and Dane counties to support county law libraries. The contracts provide space, furniture, utilities, copies, supplies (including law book materials), and four state positions (a branch librarian and library associate per county) for the operation of the local libraries. Contract payments are currently deposited into the court's continuing gifts and grants appropriation [s. 20.680(2)(g)].

The Wisconsin State Law Library has no formal relationship with counties other than Dane and Milwaukee, although it serves as an unofficial consultant to Clerks of Circuit Court who are sometimes tasked with locating space and discarding books in their collections.

DISCUSSION POINTS

1. The Dane County contract for calendar year 2023 is \$149,100, plus up to \$26,400 for costs incurred to pay for services for Dane County inmates, and the Milwaukee County contract is \$179,600, plus \$55,200 in funding for judge materials. The contracts pay for space and state court personnel to operate the library, as well as to purchase items for the print library, online services, catalogs, Internet, and provide assistance to the legal community.

2. The existing contractual relationship allows the counties and the state (on behalf of the Wisconsin State Law Library) to receive a more favorable rate when procuring certain law materials as a single, consolidated purchaser, rather than ordering materials independently as three separate entities. The Director of State Courts Office pays the vendor monthly, and county law libraries then reimburse DSCO for their portion of the billing from the vendor. The reimbursements are currently

processed as refunds of expenditures in the gifts and grants appropriation.

3. In November, 2022, the State Controller's Office published a compliance review of certain Wisconsin court system transactions occurring in 2020-21. The Controller's Office contends that "because elements of the contractual relationship between the Courts and the county law libraries can be anticipated during budget development, processing these reimbursements from the county law libraries as refund of expenditure transactions may not meet the intended statutory definition of a refund expenditure." Statutes define a refund of expenditure as any amount of money received as a result of an adjustment made to a previous recorded expenditure due to activities that are temporary in nature or cannot be anticipated during budget development, and which reduce a previously recorded expenditure. In addition, the gifts and grants appropriation does not mention the contractual agreement with the county law libraries, and instead is intended for "all moneys received from gifts, grants, bequests, and devises to carry out the purposes for which made and received."

4. Given the nature of the transactions and the longstanding relationship between the counties and the courts, the publication recommended establishing a separate PR appropriation to account for the compensation and related fees paid from the counties to the courts under contract.

5. However, the budget bill and the Controller's Office recommendation do not mention transfer of any revenue or position authority related to the county law library contracts to the new appropriation. The Director of State Courts Office indicates that "without cash [and position] transfer, it would be difficult to establish budget authority under the new appropriation." In addition, the budget bill does not provide expenditure authority in the new appropriation for DSCO to purchase/fund county law library initiatives.

6. The Committee may wish to accept the recommendation of the Controller's Office and create a continuing county law libraries PR appropriation [s. 20.680(2)(hm)] for all moneys received from counties for providing materials or other services under contracts for county law libraries. In addition, require non-statutory language to provide for the transfer of current revenue and 4.0 positions related to county law libraries from the gifts and grants appropriation to the new appropriation. Finally, provide \$410,300 PR annually in expenditure authority in the new appropriation (the contracted amounts), and reduce expenditure authority in the existing gifts and grants appropriation by a corresponding amount to effectuate the intent of the proposal. The DSCO is not opposed to the proposal, so long as the balances and positions related to the county law libraries are transferred. [Alternative 1]

7. The current contractual arrangements have existed without significant issue for several decades. The Committee could choose to take no action, in which case monthly law library reimbursement from counties would continue to be maintained in the gifts and grants appropriation. [Alternative 2]

ALTERNATIVES

1. Create a continuing county law libraries PR appropriation for all moneys received from counties for providing materials or other services under contracts from county law libraries.

Additionally provide non-statutory language to specify that associated revenue and 4.0 positions relating to the county law library contracts are transferred to the new county law libraries PR appropriation, and provide \$410,300 PR annually in expenditure authority in the new appropriation, while reducing expenditure authority in the existing gifts and grants appropriation by a corresponding amount.

2. Take no action.

Prepared by: Shannon E. Huberty