



Outagamie Waupaca Library System
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June 18, 2020

Heidi Dombrowski, Finance Director
Waupaca County Courthouse
811 Harding Street
Waupaca, Wisconsin 54981

Dear Ms. Dombrowski:

In accordance with the *Waupaca County Library Service Plan: 2020-2024*, the OWLS Board of Trustees respectfully requests 2021 library aid in the amount of \$1,111,929 as payment to municipal public libraries for providing countywide library service.

It has long been a goal for Waupaca County to reimburse municipal libraries for 100% of their costs for providing countywide service. We are very pleased that Waupaca County achieved 100% funding in years 2014 through 2020. The 2021 request phases in 20% of the difference between the old funding formula and the new funding formula adopted in the 2020-2024 plan, which now includes electronic circulation.

As in past years, OWLS also respectfully requests \$5,000 from Waupaca County for rental assistance. Rental assistance has been extremely helpful to OWLS, and it does represent the only operational support that OWLS receives from Waupaca County. Given that OWLS invests significant resources to coordinate countywide library service, it is appropriate to allocate this minimal operational support for OWLS.

The OWLS Board understands and appreciates the uncertain financial situation facing all units of government due to the COVID-19 pandemic. However, we also know that library services are in high demand during economic downturns. Because payments to libraries are exempt from county levy limits, Waupaca County is in a position to provide the funding to equitably reimburse municipal libraries for service provided in 2021.

On behalf of the OWLS Board and the public libraries in the county, I encourage Waupaca County to continue its long-standing tradition of supporting quality public library service by adopting a 2021 Library Aids budget that follows the principles outlined in the *Waupaca County Library Service Plan*. I look forward to discussing this request with you and the Finance Committee.

Sincerely,

Bradley Shipps

SUMMARY OF 2021 WAUPACA COUNTY LIBRARY AIDS BUDGET REQUEST

Submitted by Outagamie Waupaca Library System

June 18, 2020

PROGRAM DESCRIPTION:

Under Wisconsin law, Waupaca County is responsible for providing public library services to county residents who reside outside of communities that maintain their own libraries. In order to provide convenient access to high quality library services, Waupaca County relies on existing municipal libraries to provide countywide library services. The County is also responsible for adequately compensating municipal libraries for this service.

The method and level of funding to be provided by the County to reimburse municipal libraries for serving residents of those jurisdictions in the county that don't operate a public library is specified in the *Waupaca County Library Service Plan*. This budget request is based on the methodology contained in the *Waupaca County Library Service Plan: 2020-2024*, which was approved by the Waupaca County Board of Supervisors on October 29, 2019.

Annually, OWLS collects library use and expenditure data from municipal public libraries and prepares a budget request based on the service plan funding methodology. Funding for the Library Aids budget is raised by taxing the residents of towns and villages that do not maintain public libraries. Residents of cities and villages that operate libraries are exempt from the county library tax. Waupaca County pays its annual library appropriation to OWLS for distribution to the municipal libraries.

BUDGET ISSUES:

Equity

The current system of paying for library services has the potential to be fair and equitable for all parties. Residents of communities with libraries support their libraries through their municipal property taxes, and all other county residents pay for library service as part of their county taxes. However, when the County reimburses municipal libraries for less than their full costs for providing countywide library service (i.e., less than 100% funding), the residents of these municipalities pay higher taxes to subsidize use of their libraries by non-residents.

Levy Limit Exemption

The county library tax is levied only on property in towns and villages that do not operate public libraries. In accordance with Section 66.0602(3)(e)(4), *Wisconsin Statutes*, the amount that the County levies to make payments to public libraries is not included in the County's levy limit. Consequently, Waupaca County has the ability to increase library funding without impacting the levy limit or other county budgets.

Library Use

Overall circulation of physical and electronic items by municipal libraries in Waupaca County was down in 2019 by 1.3%. However, during the same period the number of physical and electronic items borrowed by residents of towns and villages without libraries decreased by 0.3%.

Unit Costs

In recent years, library operating costs have grown faster than circulation, increasing the average cost per circulation. In 2019 the combination of an increase in expenditures (3.2%) and a decrease in circulation resulted in an increase in the cost per circulation (4.5%).

County Share of Library Service Costs

The county achieved the goal of compensating municipal public libraries at 100% of their costs for providing countywide library service first in 2014, and continued through 2020, as the funding level increased from 82% in 2008 to 100% in 2014.

Year:	2008	2009	2010	2011	2012	2013	2014 - 2020
Funding Level:	82.0%	85.2%	88.1%	91.0%	94.0%	97.0%	100%

A goal of the *County Library Service Plan: 2020-2024* is to continue to compensate municipal public libraries at 100% of their costs for providing service to county residents residing in jurisdictions without local libraries while phasing in the addition of electronic circulation to the formula over five years.

Although the cost per circulation increased in 2019, the county circulation decrease offset some of this, causing a modest increase in Waupaca County’s full share of library service costs. Phasing in 20% of the difference between the new formula and the old formula will result in a budget increase of 4.95% or \$52,381.

Library Service is a Bargain for the County

Contracting with municipalities for library service continues to be a bargain for Waupaca County. It is estimated that the owner of a \$100,000 home paying for library service through county taxes would pay about \$36 in 2020. Even at the 100% funding level, residents living outside of communities with libraries will continue to pay significantly less for the same service than those living in communities with libraries.

Requested 2021 Library Payments

The following table shows the payments made from the 2020 library aids budget and the proposed 2021 payments:

LIBRARY	<u>2020 PAYMENT</u>	<u>REQUESTED 2021 PAYMENT</u>
Clintonville	\$139,449	\$135,771
Fremont	\$42,881	\$40,088
Iola	\$89,172	\$114,457
Manawa	\$112,954	\$114,064
Marion	\$42,662	\$46,148
New London	\$160,943	\$169,969
Scandinavia	\$29,421	\$30,251
Waupaca	\$369,265	\$384,496
Weyauwega	\$72,801	\$76,685
Total	\$1,059,548	\$1,111,929
Average Funding Level	100.0%	100.0%

Budget Details

The spreadsheet on the following page contains details of the 2021 library aids budget request.

Waupaca County Library Funding Request for 2021 by 2020-2024 County Plan Formula
Year 1 of 5-Year Phase In of New Formula - 20% of change

Library	2019 Expenditures	2019 Physical Circ	2019 Electronic Circ	Cost per Circ (combined)	2021 Request Using Old Formula	2021 Request Using New Formula	Difference	2021 Request at Year 1 - Phase in 20% of Change	2020 Reimbursement	Change	% Change
Clintonville	\$392,883	80,408	7,526	\$4.47	\$136,035	\$134,717	\$(1,318)	\$135,771	\$139,449	\$(3,678)	-2.64%
Fremont	\$95,694	26,723	2,052	\$3.33	\$40,114	\$39,983	\$(131)	\$40,088	\$42,881	\$(2,793)	-6.51%
Iola	\$232,599	36,688	3,480	\$5.79	\$113,340	\$118,927	\$5,587	\$114,457	\$89,172	\$25,285	28.36%
Manawa	\$198,722	37,219	2,631	\$4.99	\$113,528	\$116,207	\$2,679	\$114,064	\$112,954	\$1,110	0.98%
Marion	\$179,660	40,510	2,589	\$4.17	\$45,731	\$47,817	\$2,086	\$46,148	\$42,662	\$3,486	8.17%
New London	\$497,087	89,646	9,826	\$5.00	\$169,380	\$172,325	\$2,945	\$169,969	\$160,943	\$9,026	5.61%
Scandinavia	\$37,299	8,425	210	\$4.32	\$30,297	\$30,067	\$(230)	\$30,251	\$29,421	\$830	2.82%
Waupaca	\$870,098	229,281	19,980	\$3.49	\$383,184	\$389,742	\$6,558	\$384,496	\$369,265	\$15,231	4.12%
Weyauwega	\$164,751	33,394	3,111	\$4.51	\$76,814	\$76,169	\$(645)	\$76,685	\$72,801	\$3,884	5.34%
Totals					\$1,108,423	\$1,125,954		\$1,111,929	\$1,059,548	\$52,381	4.94%