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# Trustee Tale

Trustee Tale is a joint project of the Manitowoc Calumet Library System, Nicolet Federated Library System, Outagamie Waupaca Library System, Winnefox Library System and Wisconsin Valley Library System.

If you have questions, comments, or suggestions for future articles, contact your system director.



## A Brief Introduction to Library Funding

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Libraries operate with tax dollars. But how and from which communities? As a trustee, it is important to understand where the library's budget comes from and be good stewards of these funds. Just as the library serves a greater community, library dollars come from that same great community. Negotiation and speaking in favor of library funding is one of the most direct ways trustees can advocate for their library.

### **Municipal Funding:**

If your library is established under a City, Village, or Township (or multiple of any of these), your library is a Municipal Library. Municipal libraries receive funding through the municipality's general fund. This appropriation is based on the needs of all municipal departments and what the municipality can afford. There is no requirement for a municipality to fund the library at a certain dollar amount, nor are there standards a library is required to meet in order to receive funding.



### **County Funding:**

If your library is established under a County government, your library is a consolidated County Library. Like a Municipal Library, a County Library can advocate for funding directly from the County and the budgeted appropriation is based on advocacy and documentation of need, keeping in mind the County's budget as a whole.

### **Cost Sharing with the County:**

If you are a Municipal Library, your library will also get funding from your home county. Every time a rural resident (a library patron who lives in your county but is a resident of a

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municipality that does not maintain a library) uses your library, the home county will reimburse your library. This annual reimbursement payment is calculated using the “cost per circulation.” This is calculated by dividing the library’s total expenses from last year by the library’s total circulation (number of items checked out) from last year. The cost per circulation is then multiplied by the number of circulations from rural residents last year. Payments in 2025 are based on statistics from 2023. The home county is required to pay a minimum of 70% of this cost, though many counties pay more.

Municipal residents are exempt from paying the county library tax unless municipal library funding falls below the minimum municipal appropriation. The minimum appropriation should be calculated by the municipality every fall using a statutory formula based on equalized valuation. The minimum appropriation is not designed to correspond with the funding needed to run a library. Most libraries are funded well above the minimum.

### **Adjacent County Funding:**

Both Municipal and County libraries have access to funding from counties adjacent to their own. In the same way Municipal Libraries receive funding from their home county using cost per circulation, many libraries bill adjacent counties for their rural resident use. However, counties that have a consolidated county library are not required to reimburse libraries in adjacent counties for their rural resident use unless the consolidated county library opens the door and chooses to bill the adjacent county libraries first.

### **Levy Limits:**

Levy limits determine the maximum amount a town, village, city and county may implement as a property tax levy on parcels within their boundaries. The municipality's appropriation to a municipal library and the county's appropriation to a consolidated county library are subject to levy limits. However, county reimbursements for services provided by municipal libraries are exempt from county levy limits.

### **Donations/Gifts:**

As a government tax-exempt organization, your library can also accept gifts and donations. These funds are under the exclusive control of the library board and are often held in a separate account from the municipality or county who holds the operational funds. Donations and gifts are often crucial for libraries to have specialized programs, collections, or building improvements.

## **Friends of the Library:**

Completely separate from the public library's municipal or county budget are Friends of the Libraries groups. Some Friends groups are registered as tax-exempt and are non-profits whose mission is to support the local library. Not all public libraries have Friends groups, but those that do may rely on the Friends to help with programming costs or general supplies. Friends can also play a critical role in long-term fundraising projects.

For more information about Library Funding, check out the following resources:

[Library Funding 101](#), Infographic from the Library Services Team of the DPI  
[Funding and Budgets website](#), from the Library Services Team of the DPI  
[County Funding FAQs](#), from the Library Services Team of the DPI