Where Does the Money Come From?

Public Library Funding in Wisconsin

2022

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Sources of Library Funding

- Federal Funds

- State Funds

- Municipal Appropriation

- County (ACT 150/420)

- Fines and Fees

- Carryover/Fund Balance

- Donations/Grants

Federal Funds

- Federal funds

  - Library Services and Technology Act (LSTA) grants for statewide or regional projects

    - Priorities based on 5-year plan

    - Support for Division staff and programs such as WISCAT

    - https://dpi.wi.gov/pld/lsta

  - During COVID additional funds included Cares Act https://dpi.wi.gov/pld/cares-act-libraries and ARPA https://dpi.wi.gov/pld/arpa-libraries

State Funds

- Support statewide projects such as BadgerLink

- Used to support regional projects such as library system services

  - Systems develop services based on member needs and available funds

Managing the Library's Money

- Chapter 43.58 Powers and duties. (1) The library board shall have exclusive control of the expenditure of all moneys collected, donated or appropriated for the library fund...

Managing the Library's Money

- (2)(a) The library board shall audit and approve all expenditures of the public library and forward the bills or vouchers covering the expenditures, setting forth the name of each claimant or payee, the amount of each expenditure...to the appropriate municipal or county financial officer...The appropriate municipal, county, or school district official shall then pay the bill as others are paid.

  - *NOTE: No further action is required by the municipal board for payment by the municipality*

Municipal Appropriation

- These funds come from the municipal levy

- Increases in the tax levy are restricted to net new construction

    - Those dollars support all municipal services

Possible Municipal Allocation Barriers

- Develop an understanding the Municipal Budget
- Levy Limits
  - Address library needs, not all budget reductions/increases are imposed uniformly
- Shared Revenue
- Other Community Projects
  - Operating versus capital
  - Schools versus community
- Board/Community priorities

Advocating for the Library's Share

- Value of the library to community
    - Small Business Support
    - Employment Resources
    - Early Literacy
- Library supporters
    - Attend finance hearing
    - Letters to Municipal Board
    - Editorials

Advocate for the Budget Sharing Resources

- Libraries are cost-efficient operations
    - Share materials
    - Access to electronic materials
    - Online databases
    - Share cost of programs
    - Exchange ideas
    - Meeting space

County Funds

- The Library can receive County Funds from:

  - Home County (ACT 150)

  - Adjacent Counties (Act 420)

  - Exceptions include counties where there are no nonresidents

  - Can additionally fund capital projects or county wide services such as a bookmobile

County Funds

- **Does the county payment to a municipal library for library services provided to non-residents of the municipality go to the library or the municipality's general fund?**

  To the library (League of Wisconsin Municipalities Libraries FAQ #2)

County Funds

- The cost per circulation is determined by dividing the total operating expenditures (minus Federal Funds) by the Total Circulation

  - $437,908 / 130,597 = $3.35 (Sample Library)
  - 70% is the minimum amount but some counties have increased to 100%

- Alternative formulas are permissible, but must the minimum funding level as defined in Statute 43.12

- Funding outlined in County Library Plans

County Funds

- The cost per circulation = $3.35 (Sample Library)

	100%	70%
Barron – 101 items =	$338.35	$236.85
Chippewa – 5,701 items =	$19,098.35	$13,368.85
Price – 361 items =	$1,209.35	$846.55
Sawyer – 4,605 items =	$15,426.75	$10,798.73
Taylor – 2,913 items =	$9,758.55	$6,830.99
Washburn – 5 items =	$16.75	$11.73

Fines and Fees

- Fines or Fines Free
- Public libraries are prohibited from charging for basic library services
- Fees can be charged for:
    - Lost library cards
    - Lost or damaged materials
    - Photocopies/Printing
    - Meeting Room rental
    - Equipment rental

Funds Carried Forward/Surplus Funds

The authority of the library board to make budget transfers within the library budget and to carry forward unexpended funds is expressly granted under section 43.58(1), which provides that "[t]he library board shall have exclusive control of the expenditure of all moneys collected, donated or appropriated for the library fund . . ." and is necessarily implied from the provisions of section 43.58(4), which grants the library board the authority to "supervise the

While a library board may not maintain unexpended monies as "generic 'funds on hand,'" *Barth*, 108 Wis. 2d at 520, it may (indeed must) re-budget such funds for the following year. (One

2006 Attorney General Opinion—in matter involving the City of Washburn

Donations/Grants

- Earmarked for specific purposes

- Typically fund special projects

- Can vary year to year

- Not a replacement for operational expenditures

Donations/Grants

- Be strategic -- small dollars grants may take just as much staff time as large grant

- Staff/volunteer capacity

- Create program sponsorship opportunities

- Friends/Foundations are independent organizations and could have competing priorities

Gift Funds

Chapter 43.58 (7)(b)

> 2. If a gift, bequest, or endowment is made to any public library, the library board may pay or transfer the gift, bequest, or endowment, or its proceeds, to the treasurer of the municipality or county in which the public library is situated; may entrust the gift, bequest, or endowment to a public depository under ch. 34; may pay or transfer the gift, bequest, or endowment to the library board's financial secretary; or may, subject to subd. 3., pay or transfer the gift, bequest, or endowment to a charitable organization, described in section 501 (c) (3) of the Internal Revenue Code and exempt from federal income tax under section 501 (a) of the Internal Revenue Code, the purpose of which is providing financial or material support to the public library or to a community foundation. A payment or transfer of a gift, bequest, or endow-

Gift Funds

- The Gift/Donation policy should establish—

  - The purpose for the use of those funds

  - Where the funds will be deposited 43.58 (7)

    - Public Depository

    - Municipality

    - Community Foundation

  - Who can sign checks from those funds (two signatures are recommended)

Questions

Contact

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or 715-839-5082 ex. 116

Budget Development Resources

Budget Timeline

- Planning for next year's budget should begin in February

  - February

    - Director completes the Previous Year's annual report

  - March/April

    - Library Board Review long-range plan and goals

    - Opportunity to present a year in review of numbers, pictures and stories to the municipal board

  - June/July

    - Review 6-month expenditures/revenues

    - Determine municipal budget calendar

  - Summer/Early Fall

    - Library Director develops draft budget

    - Seeks input from Library Board; makes revisions as needed

    - Library Board approves Budget request; submitted to municipality

Budget Timeline

- Fall
  - Budget reviewed by municipality
    - Mayor
    - Administrator
    - Finance Committee
    - Board/Council
  - Public hearing on municipal budget
  - Municipal board approves appropriation

- Winter
  - Adjust budget expenditures based upon municipal appropriation

Budget Toolkit

- Previous Year Annual Report

- Current Year Budget and expenditures to date

- Long Range Plan

- Projected Population (Demographic Services Center)

- Census Data

- Relevant News Stories

  - Housing expansion plans

  - Zoning decisions

Roles of Library Board and Director

	Board	Director
	Approves Budget	Drafts Budget
	Approves Expenditures	Expends Budget
	Approves Financial Report	Prepares Financial Report

Managing the Library's Money

- Review and approval of all library expenditures

- Review and monitoring of monthly financial statements

- Develop policies for handling of gifts and donations

- Accurate financial reporting

- Review and approval of the budget draft

  - Does it provide adequate support for the library service goals?

  - Does it provide competitive wages to retain and recruit staff?

Developing the Library Budget

- Budget Development Process (Director and Key Staff)

  - Determine what the library hopes to accomplish next year

  - Determine financial resources needed for the next budget year

  - Draft budget document (Director and key staff)

  - Present Draft to Library Board for their approval

Developing the Library Budget

- Present and Advocate for the budget

  - Create clear budget with little or no library jargon

  - Charts and other comparison information

  - Use format required by municipality

  - Present budget to appropriate committees and boards

  - Thank the committee and boards for their consideration of the library budget

Managing the Library's Money— Developing the Library Budget

- Expenditures
  - Salaries and Wages
  - Benefits
  - Materials
    - Books
    - Periodicals
    - Video Materials
    - Audio Materials
    - E-content
    - Software

Managing the Library's Money—Developing the Library Budget

- Expenditures
  - Contracted Services
  - Continuing Education
  - Programming
  - Telecommunications
  - Utilities
  - Equipment repair
  - Supplies
  - Computer/Equipment Replacement
  - Building Maintenance

Presenting the Budget

- Library Board
  - Be involved in the presentation process
  - Form a budget subcommittee to preplan
  - Provide documents to support the budget
  - Be proactive and not reactive

Presenting the Budget to Appropriate Committees and Boards

- Know your audience
  - How do they like their information presented
  - Do they know you
    - Try to attend other meetings of the governing board and not just at budget time
  - Format of Presentation
    - Highlight important and/or new programs or service
  - Bring your Board
  - Bring your Friends
  - No Jargon
  - Thank the committee and boards for their consideration of the library budget
- Tell the Library Story

cir·cu·la·tion *noun* \ ˌsər-kyə-ˈlā-shən\ 🔊

plural **-s**

1 : movement or passage in a circuit or other curving or bending course typically with return to a starting point

<*circulation* of air through the building>

<*circulation* of water in the lake>

2 : the orderly movement of liquid or dissolved matter through a living body:

5 a : the average number of copies of a publication sold or less freqently distributed over a given period

<a country paper with little more than five hundred *circulation* — W. A. White>

b : the number of persons exposed to an advertisement or sales message by the use of a certain advertising medium; *especially* : potential audience with available receiving sets

<the *circulation* of a radio program>

<increasing TV *circulation*>

6 a : the elements of communication within a building (as foyers, halls, corridors, stairways, and elevators)

b : unhindered passage or motion about an area

<this arrangement of doors permits easy *circulation*>

<a parking garage with free *circulation* of cars>

8 a : the lending of books or other library materials for outside use

b : the total number of items taken by borrowers from a library

c : a single borrowing of a library book

<a strong binding good for 100 *circulations*>

9 : free active social life with different persons or groups

<getting back into *circulation* after her divorce>

Resource Links

- Bootcamp for New Library Directors https://winnefox.org/bootcamp

- Tools and Resources for Public Library Directors and Board Members http://dpi.wi.gov/pld/boards-directors

- Trustee Essentials http://dpi.wi.gov/pld/boards-directors/trustee-essentials-handbook

- Wisconsin State Statute Chapter 43 Libraries http://docs.legis.wisconsin.gov/statutes/statutes/43.pdf

- Wisconsin Public Library Standards http://dpi.wi.gov/pld/boards-directors/library-standards

Resources

- Administrative Essentials Developing a Budget (DPI)
  - https://dpi.wi.gov/pld/boards-directors/administrative-essentials/developing-budget
- Administrative Essentials Managing the Library's Money
  - https://dpi.wi.gov/pld/boards-directors/administrative-essentials/managing-money
- Frequently Asked Questions (FAQ) on Public Library Administration and Governance
  - https://dpi.wi.gov/pld/boards-directors/administration/faq

Resources

- League of Wisconsin Municipalities Municipal Budgeting Toolkit
  - https://www.lwm-info.org/574/Municipal-Budgeting-Toolkit

- American Library Association (ALA) The Small but Powerful Guide to Winning Big Support for Your Rural Library
  - http://www.ala.org/aboutala/offices/olos/toolkits/rural

- ALA Preparing a Budget Presentation
  - http://www.ala.org/advocacy/making-a-budget-presentation

- WebJunction Budgets & Funding
  - https://www.webjunction.org/explore-topics/budget-funding.html