

HOW IS OUR LOCAL LIBRARY FUNDED?

THE BIG PICTURE

$$\begin{array}{ccccccc} \text{MUNICIPAL} & + & \text{HOME} & + & \text{ADJACENT} & + & \text{OTHER} & = & \text{LIBRARY} \\ \text{FUNDING} & & \text{COUNTY} & & \text{COUNTY} & & \text{FUNDS} & & \text{BUDGET} \\ & & \text{ACT 150} & & \text{ACT 420} & & \text{grants,} & & \\ & & & & & & \text{donations,} & & \\ & & & & & & \text{gifts, fees} & & \end{array}$$

WHAT IS ACT 150?

In 1998, Governor Thompson signed SB 269 which became law as 1997 **Act 150**.

This law provides a way for municipal libraries to receive payment for services provided to residents of the county whose community does not have a municipal library. Act 150 payments are outside of the county's levy cap.

HOW DOES IT WORK?

Payment amount is based on a funding formula that uses operating expenses and the number of items checked out to determine the cost per item checked out (step 1). Next, that cost is multiplied by the number of items (books and other physical items) checked out by residents with no municipal library (step 2). Here's a **hypothetical example**.

$$\begin{array}{l} \text{STEP \#1} \\ \$1,000,000 \\ \text{Example Municipal Library} \\ \text{Operating Expenses} \end{array} \div \begin{array}{l} 191,938 \\ \text{Total number of items checked out} \\ \text{by all library users in one year} \end{array} = \begin{array}{l} \$5.21 \\ \text{Example cost per} \\ \text{item checked out} \end{array}$$
$$\begin{array}{l} \text{STEP \#2} \\ \$5.21 \\ \text{Example cost per} \\ \text{item checked out} \end{array} \times \begin{array}{l} 20,000 \\ \text{Total number of items checked out by} \\ \text{residents of the Example Library's home} \\ \text{county that don't have a municipal library} \end{array} = \begin{array}{l} \$104,200 \\ \text{Total reimbursement to be} \\ \text{paid by the county to the} \\ \text{library for services provided} \end{array}$$

WHAT IS ACT 420?

Wisconsin's Act 420 was enacted in 2006 to include services to library users in adjacent counties that are not served by a municipal library.

HOW DOES IT WORK?

$$\begin{array}{l} \$5.21 \\ \text{Example cost per} \\ \text{item checked out} \end{array} \times \begin{array}{l} 6,000 \\ \text{Total number of items checked out by} \\ \text{residents of an adjacent county that} \\ \text{don't have a municipal library} \end{array} = \begin{array}{l} \$18,900 \\ \text{Total reimbursement to be paid by} \\ \text{that adjacent county to the Example} \\ \text{Library for services provided} \end{array}$$