



# DAVE MURPHY

State Representative • 56th Assembly District

**Senate Committee on Economic Development and Local Government**

**January 16, 2014**

**SB 397: county reimbursement for library services**

Chairman Gudex and committee members, thank you for the opportunity to speak today about Senate Bill 397 (the companion to my bill, Assembly Bill 288) pertaining to county reimbursement for library services between systems.

Before I was elected, I read about this unfair billing situation in the local paper. Then, last February, I talked about the situation with constituents of mine who came to the Capitol for the Wisconsin Library Association (WLA) lobby day. I decided to research the issue and see what I could do to fix it.

SB 397 is about equity. Simply, it's not fair for a municipal county library system that loans more pieces to another system, to have to pay that system money without recouping their own costs. For example, if I'm Outagamie County and you are Brown County, right now you can bill me for items used by my residents and I must pay. However, if I bill you for the cost of items utilized by Brown County residents, you aren't required to pay me.

This unintended consequence has been allowable since 2005 Act 420, but I believe counties chose not to bill each other until times got tight or because they didn't think it was the right thing to do. When billing began to occur, a problem became clear: only some counties can get paid.

The WLA had registered as neutral on AB 288. When my bill passed committee, I was clear with everyone that I would still be open to comments and compromise. A month later, we convened a meeting with Speaker Vos, other legislators, and the directors of 3 library systems, and discussed changing the bill to be more amenable to libraries. The Wisconsin Library Association worked to help craft language that would be acceptable to their organization and the legislature. That language became the substitute amendment before you today.

As amended, this bill allows both of these types of libraries to get compensated, but leaves the onus on the consolidated county libraries. The ball is in their court to initiate reimbursement.

Thank you for this opportunity. I am happy to answer any questions.

# Memo

Outagamie Waupaca Library System  
225 North Oneida Street  
Appleton, WI 54911  
920 832-6190



Date: July 2, 2013  
To: Diane  
From: Rick  
Subject: Co-Sponsorship of Library Bill

## Affected Areas

I had a nice chat this morning with Rep. Murphy following the Outagamie County Finance Committee meeting. I told him that I'd send you a list of areas that might be interested in this bill. We also talked about specific legislators who might have an interest in co-sponsoring the bill, and he made a list.

The table below shows all of the counties that operate consolidated county libraries under s. 43.57 and the counties that are adjacent to them. I didn't include any counties operating consolidated county libraries or city-county joint libraries in the list of adjacent counties because their situations vary and they are affected differently by the current law or by the proposed change.

**Wisconsin Counties Operating Consolidated County Libraries  
Established Under Section 43.57**

County Operating Libraries (s. 43.57)	Adjacent Counties*
Adams	Columbia, Juneau, Marquette, Sauk, Waushara, Wood
Brown	Calumet, Kewaunee, Manitowoc, Oconto, Outagamie
Door	Kewaunee
Florence	Forest
La Crosse	Jackson, Monroe, Trempealeau, Vernon
Marathon	Clark, Lincoln, Taylor, Waupaca, Wood
Marinette	Forest, Oconto
Portage	Waupaca, Waushara, Wood

\*Excludes counties operating consolidated county libraries (s. 43.57) or joint city-county libraries (s. 43.53).

According to information from the DPI Public Library Development Team, in 2011 only La Crosse County Library billed and received funds from adjacent counties. 2012 information hasn't been released by DPI yet, but it will be available very shortly. Of course, we know that in 2012 Brown County Library billed five adjacent counties, and four of the counties paid their bills in 2013.

However, any of the twenty adjacent counties have the potential to be billed by one or more consolidated county libraries, regardless of the volume of service it provides and regardless of whether the amount of inter-county service is reciprocal. This fact may be of interest to legislators representing those areas.

It seems to me that there are several possible explanations for why so few consolidated county libraries bill adjacent counties. First, they may not provide a significant level of service to adjacent counties. (On average, county libraries aren't funded as well as municipal libraries.) Second, the amount of inter-county service is reciprocal, making billing unnecessary. Third, they don't want to antagonize neighboring counties because of the unfair nature of the current law. In any case, I believe the primary reason why legislators representing adjacent counties might object to Rep. Murphy's bill is if they perceive it to be a statewide solution to a local problem. While it might initially appear this way, our experience demonstrates that the only reliable option for remedying this inequity is to change the law.

#### Possible Memo Language

I'm finding it extremely difficult to concisely explain this issue, but I thought I'd write some things in order to give us a starting place. Please consider everything that follows as a rough draft for discussion purposes.

What does this bill do?

This bill requires counties operating consolidated county libraries established under Section 43.57 to pay libraries in adjacent counties for library services provided to their residents.

What problem does this bill address?

Currently, public libraries may request compensation from adjacent counties for service provided to residents of those counties (who do not live in municipalities to operate public libraries?), and the counties are required to compensate the libraries based upon a statutory formula. Consolidated county public libraries (established under s. 43.57?) are also able to request compensation from their neighboring counties. However, counties that operate consolidated county libraries are exempt from compensating libraries in adjacent counties. This has created (has the potential to create?) inequities where a consolidated county library can receive reimbursement from an adjacent county, but libraries in that adjacent county do not receive any compensation for serving the residents of the county operating the consolidated library, regardless of the fact that inter-county library use is equivalent.

This bill addresses the inequity created when a county library bills an adjacent county, and the libraries in the adjacent county are unable to bill the first county for providing an equivalent or greater amount of service. Requiring counties operating consolidated county libraries to reimburse libraries in adjacent counties for service will provide an incentive for them to negotiate equitable inter-county and service agreements.

## Background

Since the establishment of public library systems in Wisconsin, counties have been the building blocks for public library service, ensuring that all residents of the state have access to public library services.

In 61 of Wisconsin's 72 counties, public libraries are established individually or jointly by cities, villages, or towns, and these municipal or joint libraries provide services to rural county residents. In these counties, residents of the cities, villages, and towns that operate public libraries pay for their library service through their municipal taxes. All other county residents pay for their library service through their county taxes, and the county reimburses the municipal or joint libraries for providing countywide library services.

Many counties have a long history of supporting public library service by compensating their municipal or joint libraries for providing countywide library service, but, because some counties were not providing adequate support to their municipal libraries, in 1997 Act 150 was passed specifying how counties were to compensate their own or joint municipal libraries for providing countywide library service. Because consolidated county libraries were already providing service to their entire counties, they were not included in Act 150.

Act 150 worked well to provide more equitable support for public library service within counties, and in 2005 Act 420 was passed extending the requirement for counties to reimburse public libraries to adjacent counties. Act 420 simply added adjacent counties and did not address any other issues that might arise, including a county operating a consolidated county library not being required to pay for use of libraries in adjacent counties by its residents. It can be argued that when s. 43.12 was amended by Act 420 the issue of consolidated county libraries was inadvertently omitted.

The situation created by the current law is inequitable because it creates two classes of library users (citizens?). Residents of most Wisconsin counties are required to reimburse libraries in adjacent counties for the service they receive, but residents of counties operating consolidated county libraries are not required to pay to use libraries in adjacent counties. This is an inequitable situation that will be remedied by this bill.



**O·W·L·S**

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Testimony to Senate Committee on Economic Development and Local Government  
January 16, 2014

Chairman Gudex and Members of the Committee,

My name is Walter Burkhalter, I am the director of the Outagamie Waupaca Library System and member of the Wisconsin Library Association Cross Borrowing and County Funding Workgroup. I'm here today to testify in support of Senate Bill 397.

Since the establishment of public library systems in Wisconsin, one of their primary goals has been to ensure that all of the state's residents have equitable access to good public library service, and for many years the public library community has also had a goal of any state resident being able to use any public library. The good news is that in the 40 years that public library systems have been in existence, significant progress has been made toward achieving these goals. All of the state's residents do have access to public library service, and many of the state's residents are able to use any public library they desire.

However one of the persistent challenges for many years is to equitably fund the costs that are associated with seamless library use. The bill before you addresses the situation when a resident in a county served by a consolidated county library uses libraries in an adjacent county. The Wisconsin Library Association Taskforce, of which I am a member, has met on several occasions to attempt to address this as fairly as possible. Of course there have been tradeoffs but we feel as a group that this compromise bill will do the following:

- Allow use from residents of a consolidated county library to be billed in a manner that is similar to those who reside in a county served by municipal libraries if the consolidated county library chooses to bill.
- Make it permissible for libraries in adjacent counties to bill for use by residents of a consolidated county library that has billed them.
- Preserve situations where a consolidated county library is not billing by not allowing libraries in adjacent counties to bill them without first being billed.

I wish I could say that this will be last funding issue to be addressed for libraries. It probably will not. SB 397 is simply another step along the way as lending patterns change and we attempt to make things as fair as possible for all parties involved.

Thank you for the opportunity to address the Committee.



WISCONSIN  
LIBRARY  
ASSOCIATION

**Testimony**

**Senate Substitute Amendment to Senate Bill 397 relating  
to county payments to public libraries in adjacent counties**

**Senate Committee on Economic Development and Local  
Government**

Presented by Wisconsin Library Association Executive Director  
Plumer Lovelace III on behalf of WLA President Krista Ross  
Thursday, January 16, 2014

Senator Gudex and members of the Senate Committee on Economic Development and Local Government,

Thank you for this opportunity to present testimony on SB 397 this morning. My name is Plumer Lovelace III. I began my tenure as Executive Director of the Wisconsin Library Association (WLA) at the end of October and am representing WLA here today on behalf of our President Krista Ross.

WLA's membership unites nearly 2,000 librarians and support staff, public library trustees, friends of libraries and library business vendors. Together we advocate and work for the improvement of services to the citizens of Wisconsin who use and value public, academic, school and specialized libraries.

Wisconsin has 384 public libraries and 82 public library branches. All of Wisconsin's public libraries have voluntarily chosen to participate in one of the state's regional public library systems that provide efficiencies through sharing and consolidation of services to deliver equitable access to information resources across the state.

Most funding for public libraries comes from taxpayers of the municipality or county in which the public library is located. Since 1997 Wisconsin law has allowed municipal libraries to receive reimbursement from the county tax levy for serving same county residents who do not directly support a library of their own while residing outside the municipality from which that library's primary funding is collected.

Wisconsin Law was again amended in 2006 to remedy the inequity when taxpayers who reside in a municipality that does not provide direct funding support to a library choose to use libraries in an adjacent county to which they contribute no taxes.

The changes to library law in 1997 and 2006 that adjusted cross-border payment rules were generated within the library community after a considerable investment of time and discussion among librarians and legislators with the input of local officials.

Just eight Wisconsin counties are organized under Chapter 43 of the Wisconsin statutes as consolidated county libraries, with budgets that are directly supported by ALL county residents. They are Adams, Brown, Door, Florence, La Crosse, Marathon, Marinette, and Portage Counties. AB 288 was introduced by Representative Murphy late last summer in response to a cross border payment disagreement between Brown and Outagamie counties.

WLA's legislative committee requested that President Krista Ross convene a task force made up of library stakeholders, assess the potential for unintended consequences of AB 288 as originally introduced, craft a reasonable solution and report back to the WLA legislative committee and Board no later than November 30. WLA took no position on AB 288 at the September 17 hearing held before the Assembly Committee on Urban and Local Affairs other than respectfully asking that the WLA task force be given time to make a recommendation for compromise before the bill was scheduled for floor action. Senator Grothman introduced the identical SB 397 in mid-November.

I am happy to confirm that the substitute amendment being considered today is the product of successful collaboration between WLA members, Representative Murphy, Senator Grothman and legislators from both houses. The amendment has been formally endorsed by the WLA Board.

On behalf of the Wisconsin Library Association, I respectfully request that the members of this committee support the substitute amendment language to SB 397 and recommend the bill for passage.

Let me close by saying that Wisconsin Library Association has learned a lot from this experience and would welcome the opportunity to again work successfully with members of the Senate and Assembly on future library-related bills. We believe that including WLA members in the process will deliver greater citizen and bi-partisan support.

**Testimony on Substitute Amendment to Senate Bill 397 relating to county payments to public libraries in adjacent counties**

**Senate Committee on Economic Development and Local Government Senate  
January 16, 2014**

Good morning, Mr. Chairman and members of the committee. My name is Jeff Wavrunek and I am the director of the Adams County Library.

The Adams County Library and its many supporters are in favor of the Substitute Amendment version of SB397 as an alternative to SB397 as it was originally introduced.

The Adams County Library is a consolidated library that serves a primarily rural population of 20,000 with an annual budget of around \$345,000, making it one of the lowest per capita funded libraries in the state. Our library provides vital resources to the greater Adams County community, serving over 300 people a day with an average of 1,500 computer sessions a week in a region where reliable bandwidth and computer connectivity is an ongoing problem for residents. This is very important to job seekers, adult on-line education students and those needing to access e-government sites at the local, state and federal level. Almost 75% of the students in the Adams-Friendship School District qualify for free lunches. Our library's youth services programs are important to area children, particularly in the area of early literacy and reading readiness.

AB288 and SB397 as originally proposed would have meant dire consequences for the many residents and community partners who rely on the Adams County Library. It was estimated that the mandated cross-border payments to neighboring counties could have siphoned off as much as \$146,000/year – almost half our budget.

I was a member of the Wisconsin Library Association task force that brought consensus to Wisconsin libraries on this issue because all the key stakeholders were at the table. Given my modest contribution to the group of librarians and legislators who ended up working together on this bill, it's a pleasure to come before you today and see those efforts translated into an amended version with broad support.

I would like to express my appreciation to Representative Murphy and his Assembly colleagues who worked with WLA to craft a compromise amendment acceptable to the parties involved in the original Brown/Outagamie County controversy which will hold other consolidated county libraries such as Adams County harmless. I would also like to thank the bill's Senate co-sponsor, Senator Grothman, for his role in crafting a similar amendment for SB397, as well as Senator Olsen, Senator Petrowski, and Senator Lassa for also understanding the importance of the compromise.

Thank you for taking my testimony in support of the Substitute Amendment to Senate Bill 397 relating to county payments to public libraries in adjacent counties.

Jeff Wavrunek, Adams County Library Director

January 16, 2014

**Testimony before the Senate Committee on Economic Development and Local Government Senate Substitute Amendment to Senate Bill 397 relating to county payments to public libraries in adjacent counties**

Good morning, Mr. Chairman and members of the committee. My name is Bob Stack. I am the director of the Portage County Public Library, one of eight consolidated county libraries in Wisconsin.

I am here to personally express my appreciation and support for the introduction by Senator Grothman of the Substitute Amendment to Senate Bill 397.

As originally introduced, SB 397 and AB 288 were opposed unanimously in a motion passed by the Portage County Public Library Board of Trustees. Current law allows consolidated county libraries like ours a choice whether or not to request reimbursement payments from neighboring counties for borrowers who come to Portage County and use our library. These individuals may work, go to school, shop or attend church in Stevens Point or other Portage County communities.

Unlike neighboring non-consolidated library counties where residents of municipalities without libraries do not contribute directly to library services, all Portage County residents provide primary and direct tax support to the Portage County Public Library. We estimate that only 5% of our residents use libraries in neighboring counties. We do not bill neighboring counties for their residents' use of our library because they cannot bill us in return under current law.

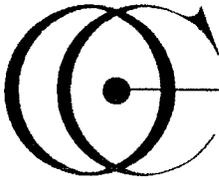
Our best estimate is that without the amendment, the original SB 397 would have cost our library at least \$80,000 if we were mandated to bill the neighbors and be billed in return.

Due to levy limits and other demands, Portage County is in no position to ask taxpayers to provide additional support to the library to cover payments for cross border use. The payments would have come from our library's already reduced budget, wiping out the entire line item for new materials. This would have a chilling impact on our ability to serve everyone who uses the library.

The amendment to SB 397 addresses cross border payment concerns when consolidated county libraries like Brown County choose to bill adjacent counties, but allows libraries like ours to maintain current policy. It is in everyone's best interest that Wisconsin libraries cooperate under funding policies that are equitable and fair, protect taxpayers from double taxation and ensure open access to public library resources and services.

Thank you for this opportunity to testify in favor of SB 397 as amended.

Robert Stack, Portage County Public Library Director



# OUTAGAMIE COUNTY

410 S. WALNUT ST. APPLETON, WISCONSIN 54911  
ADMINISTRATION BUILDING

## FINANCIAL SERVICES

PHONE (920) 832-1680

To: Senator Richard Gudex and members of the Senate Committee on Economic Development and Local Government

From: Brian Massey, Finance Director, Outagamie County *BM*

Date: January 15, 2014

Re: SB 397/AB 288, Library Billing Legislation

For roughly two decades, Brown County Library and Outagamie County libraries have not billed each other for services provided to residents of the other county. This was largely due to the fact that service has been fairly equal across county lines.

In 2012, Brown County Library changed that pattern and billed Outagamie County for 2011 services provided to Outagamie County residents. This was done despite the fact that library services provided to Brown County residents by Outagamie County libraries actually exceeded services provided by Brown County Library to Outagamie County residents. Because of this inequity, Outagamie County then billed Brown County for 2011 services Outagamie County libraries provided to Brown County residents, but Brown County argues they are not required to pay the bill under current law.

Brown County Library argues that they only billed Outagamie County for services provided to Outagamie residents who don't live in a jurisdiction with a library and therefore, don't pay taxes to maintain a library. However, these residents do pay taxes to Outagamie County for their equitable share of library service they receive. The County, in turn, pays the municipal libraries. If Outagamie agreed to pay the bill to Brown County Library and tax these residents accordingly, they would, in effect, be taxed twice for library service. The legislation you are considering, Assembly Bill 288, addresses this inequity in current law.

The fiscal impact to Outagamie County should there be no change to current law and Brown County continues to bill Outagamie County would be as follows:

Year	Brown County Library service to Outagamie County residents	Billable amount allowed under current law (70% of service)
2011	\$47,544	\$33,281
2012	\$49,503	\$34,652

Outagamie County appreciates the attention of state legislators in addressing this obvious inequity in current state law and strongly supports passage of SB 397 to correct this issue.