

An explanation of the Wisconsin Public Library Consortium (WPLC) budget January 2016

There are two components to the WPLC budget:

1. Digital buying pool
2. WPLC member shares

Each component has a different purpose and a different decision-making process as described below.

Digital buying pool

The digital buying pool is used to purchase *content* for the Wisconsin Digital Library. For 2016, the buying pool amount has been set at \$1,000,000. This amount is divided among the 17 public library using a formula that involves the following steps:

1. Determine each system's percentage of the total population of the state.
2. Determine each system's percentage of the previous year's circulation of the Wisconsin Digital Library materials.
3. Multiply the percentage of previous year's circulation by 3 (to weight it at 75% of the total) and add the system's percentage of the total population of the state.
4. Divide the number by four to find the percent of the \$1,000,000 buying pool that system will contribute.
5. Multiply that percentage by the buying pool amount for the dollar figure.

Let's walk through an example of the steps:

1. Determine each system's percentage of the total population of the state.

For purposes of this example, let's say the system has 25% of the total population of the state.

2. Determine each system's percentage of the previous year's circulation of the Wisconsin Digital Library materials.

Again, for purposes of this example, let's say the system has 15% of the previous year's circulation.

3. Multiply the percentage of previous year's circulation by 3 (to weight it at 75% of the total) and add the system's percentage of the total population of the state.

$$(15 * 3) + 25 = 70$$

4. Divide the number by four to find the percent of the \$1,000,000 buying pool that system will contribute.

$$70 / 4 = 17.5\%$$

5. Multiply that percentage by the buying pool amount for the dollar figure.

$$17.5\% * \$1,000,000 = \$175,000$$

The process to determine the total buying pool amount involves multiple bodies and provides opportunity for feedback from the entire community. It begins with the Digital Collection Workgroup, which reviews issues and requests related to the collection, asks for feedback from patrons and library staff, and analyzes usage statistics to create a recommendation for the following year's buying pool amount. This recommendation is proposed to the Digital Library Steering Committee (or "Steering Committee"), who either accepts or modifies the recommendation, and then sends the recommendation on to the WPLC Board, who incorporates the recommendation into the following year's budget.

Once a recommendation is made by the Digital Collection Workgroup, the amount of the buying pool for each system is calculated based on the formula described above. The amounts are distributed to each system's representatives on the Steering Committee and Board for their review and for them to collect feedback from their member libraries.

Opportunities for feedback are provided for member libraries and system staff prior to the Steering Committee meeting where the recommendation is acted upon.

A complete schedule of the budget process is included on the following page.

WPLC member shares

The WPLC member shares budget is used to *provide support and funding for the WPLC consortium itself*. The member shares pay for project management, the consortium's website, platform fees, a designated fund for research and development, and a designated reserve fund. In 2016, the amount of the member shares is \$86,000. The amount is divided among the 17 systems based on population shares. Each system is assigned a share amount based on their population:

<300,000	1
300,001-600,000	1.5
600,001-900,000	2
>900,001	2.5

The dollar amount of the member shares is divided by the total number of shares for all 17 systems to calculate a cost per share. This amount is then multiplied by the amount of shares for each system to determine the amount each system will contribute.

The annual WPLC member shares amount is determined by the WPLC board.

Budget schedule

The table below outlines the activities for the WPLC budget process and when each activity takes place:

WPLC Digital Collection Workgroup begins work on creating a recommendation for the buying pool amount.	January
WPLC Board creates Budget Committee to discuss member shares.	February
WPLC Digital Collection Workgroup sends a final recommendation to the Steering Committee.	Mid-April
Buying pool amounts for each system are calculated and distributed to the system's Board and Steering Committee representatives.	Mid-April
Steering Committee has first discussion of the recommendation.	Late April
Recommendation is presented at the WPLC Annual Meeting (which includes Board, Steering Committee, and anyone interested in attending).	Early May
WPLC Board Budget Committee makes recommendation of member shares amount to WPLC Board.	Early May
Steering Committee takes action on the recommendation.	Late May
WPLC Board approves complete budget for following year.	June