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Info Request



A monthly review of Wisconsin government, taxes and public finance

# The Wisconsin Taxpayer



## **Also in this issue:**

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Wisconsin Notes: Business Vitality;  
Higher Education Funding Lags

WISTAX Focus: Budget Rituals; Business Roundtable

Education in a High-Tech Economy

## **Wisconsin's Public Libraries**

### **IN BRIEF**

Wisconsin's 387 public libraries are organized into 17 library systems throughout the state. Public library and library system revenues were \$207.6 million in 2003, an increase of 2.9% from 2002. This issue of *The Wisconsin Taxpayer* discusses library organization, programs and finances. Among the important findings are:

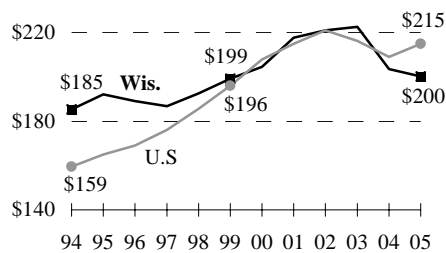
- Although municipal governments provided nearly 60% of library revenues in 2003, county funding for libraries has grown about 50% faster over the last 14 years. In 2003, counties funded 21% of public library services.
- Staff compensation accounts for nearly 70% of library operating expenditures. Nationally, Wisconsin was 21st in average salary per employee, but 4th in benefits.
- The composition of library materials has changed over the last four years. From 1999 through 2003, expenditures for traditional library materials rose 11.1%, while spending on audiovisual materials climbed 60.1%.

## Wisconsin Notes

■ **Business Vitality.** Wisconsin received mixed grades in a recent study of business vitality. According to the Corporation for Economic Development, Wisconsin had the 4th-lowest rate of business terminations in 2003. At 10.3%, the state trailed only South Dakota (8.3%), Colorado (9.4%) and Ohio (10.2%). However, Wisconsin was 47th in the creation of new companies. Iowa, Ohio and South Dakota ranked lower. Colorado, which was 2nd in business terminations, was 3rd in business creations. □

■ **Higher Education Funding Lags.** Increases in state spending on higher education (the UW and technical college systems) in Wisconsin lagged the nation over the last 11 years. Wisconsin budgeted \$200.33 per capita for higher education in 2004-05, 32nd highest nationally. From 1993-94 through 2004-05, total spending here rose 17.9%, compared to 53.6% nationally. Over the last two years, spending here declined 8.9%, while support nationally was up 1.4%. Data from Illinois State University highlight Wisconsin's support for higher education. On a per capita basis, Wisconsin's 2004-05 spending is \$15 higher than in 1993-94 (see chart). National spending is \$56 per person higher. □

Per Capita Higher Education Funding  
Wis. and U.S.



## WISTAX Focus

■ **Budget Rituals.** The biennial spring budget rituals have begun, according to a recent WISTAX *Focus*. In “Budget rituals return” (#5-05), key findings from a recent Legislative Fiscal Bureau memo regarding the condition of the general fund for the next two biennia are highlighted. Proposed tax and fee changes are also discussed. □

■ **Business Roundtable.** WISTAX President Todd Berry recently participated in a roundtable discussion of the strengths and weaknesses of Wisconsin's economy. The event was sponsored by *InBusiness* magazine. Berry cited some of the demographic challenges facing the state, such as a shrinking workforce and growing senior population. He also noted Wisconsin's lack of corporate headquarters as a concern. The panelists generally agreed that Wisconsin's strong quality of life is a positive on which the state can build. □

# The Wisconsin Taxpayer

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## Wisconsin's Public Libraries

**I**n Wisconsin, public library services are generally provided by local governments. Municipalities are the primary providers, although counties also play a role.

Wisconsin has 387 public libraries organized into 17 library systems. In 2003, statewide library revenues totalled \$207.6 million, an increase of 2.9% from 2002.

This issue of *The Wisconsin Taxpayer* discusses the organization and funding of Wisconsin's public libraries. Spending is reviewed along with national comparisons.

### ORGANIZATION

In Wisconsin, library service is provided in various ways.

#### By Type

Wisconsin has five types of public library service delivery: municipal libraries; joint libraries; tribal libraries; consolidated county libraries; and county library services.

*Municipal.* A municipal library, which is operated by a single city, village or town, is the most common type of service delivery. Wisconsin had 341 municipal libraries in 2003.

Seven municipal libraries have branches. Milwaukee has 12 branches, while Madison has eight and Kenosha four. Others with branches are Antigo (3), La Crosse (2), Hurley (1) and Superior (1).

*Joint.* A joint library is operated by two or more municipalities, or a county and one or more municipalities. The state has 25 joint libraries—two (Shawano and Ladysmith) are city-county arrangements.

Three joint libraries (Kimberly, Salem and Shawano) have a total of nine branches (two each in Kimberly and Salem, and five in Shawano).

*Tribal.* There are six tribal libraries in the state. One (Oneida) has a branch.

*Consolidated County.* A consolidated county library is an arrangement where each library in a county is a branch of the main library. This arrangement is found in seven counties: Adams, Brown, Door, Florence, Marathon, Marinette and Portage. The Keshena library is classified here as a tribal library, but is also a county (Menominee) library. The consolidated county libraries have a total of 32 branches. Brown (8), Door (7), Marathon (7) and Marinette (6) have the most.

*County Library Service.* Wisconsin also has eight county library services. In this situation, services are either provided by the county or are under contract. The counties having a county library service are Barron, Dane, Dodge, La Crosse, Oneida, Pierce, Polk and Price.

La Crosse is the only county service with a fixed library facility. The others operate bookmobiles or books-by-mail to supplement services provided by municipal or joint libraries within the county.

### Library Systems

The Wisconsin legislature created public library systems in 1971 to:

- improve and extend library services;
- promote sharing of resources among libraries; and
- increase access to library materials.

***Most library service is provided by municipal libraries.***

***Counties provide some library services in Wisconsin.***



## Governance

Public libraries are governed by local library boards, which vary in size. For Milwaukee, the board has 12 members. It includes the school board president, school district superintendent, a county board member, three alderpersons and six members of the public. Each serves a four-year term.

*Municipal.* For municipal libraries in other cities, boards range in size from five to nine members. In 2nd- or 3rd-class cities (generally populations above 10,000), the board has nine members. However, the common council may, by a two-thirds vote, reduce the board size to seven.

In cities under 10,000, boards have seven members. For villages, towns or tribal governments, library boards have five members, although two additional members can be appointed. Members are appointed to three-year terms by the mayor, village president, town chairperson or tribal chairperson.

For municipal library boards (except Milwaukee), one member must be a school district administrator. Further, not more than one member of the municipal governing body can be a board member. Board members serve for three years.

*Joint.* Joint library boards have seven to 11 members and must be representative of the populations of the participating municipalities. Board members are appointed by the heads of the local municipalities and the county board chair (for city-county joint libraries). Membership limitations and terms are the same as for municipal libraries.

*Consolidated County.* Boards for consolidated county libraries and county library services are similar. The board size for a county library can be either seven or nine, while a county service board has seven members. Members are appointed by the county board chair and serve for three

years. Board membership must include at least one school district administrator and one county board supervisor.

## Powers

Library boards have exclusive control over the expenditure of all funds collected, appropriated or donated to the library. The board controls all lands, buildings, money or other property used for library purposes.

## FUNDING

Public library services are funded through several sources. Municipal funds are the largest source, though libraries also receive money from counties, the state, the federal government, contracts and other sources, including gifts. Total revenues for public libraries and library systems were \$207.6 million in 2003 (see table below).

## Current Levels

*Municipal.* Since municipalities provide most library services, the majority of funding comes from them. In 2003, municipalities provided \$123.5 million for library services, nearly 60% of the total. Most local funding comes from the library portion of the property tax. In 2002, the average municipal library tax in library communities was \$0.659 per \$1,000 of equalized value.

*County.* Counties also use the property tax to fund library services. In 2001, the average county tax was \$0.271 per \$1,000 of property value. Municipalities with a

***Library boards have five to 12 members and control all library funds.***

***Municipalities funded nearly 60% of library services in 2003.***

### Public Library Revenues, 2003

Source	Amount (\$ mil.)	% of Total
Municipal	\$123.5	59.5
County	44.5	21.4
State	16.9	8.2
Federal	2.0	0.9
Contracts	1.2	0.6
Other	19.6	9.4
Total	\$207.6	100.0

**State dollars go to library systems to fund mandated services.**

library tax rate at least as high as the county rate are exempt from the county tax.

Counties provided a little over one-fifth of all funds in 2003. Counties can provide funds to individual municipal libraries or to public library systems. These funds usually help provide services to county residents who do not live in a community with its own library. In some cases, the county reimburses the local libraries for use by nonresidents. Other times, county funds go towards operating bookmobile or books-by-mail services.

*State.* State dollars go to library systems for mandated services, such as inter-library loans, reference referral and consulting. However, there is no legal requirement that library systems use the money for these purposes. In 2003, the state provided \$16.9 million for library services, less than 10% of the total.

State law requires DPI's budget request to include state system aids equal to 13% of the previous year's local and county expenditures. Actual funding has not reached this level for more than a decade. In 1992, state aids were 12.1% of previous-year spending. That percentage gradually fell, dropping below 10% in 2002. For 2005, state aids are funded at 7.9% of 2004 local and county spending.

**County library revenues rose nearly 7% per year from 1989 through 2003.**

Since 1999, state aids have been distributed proportionally to systems based on previous year aids. Prior to that, state library aids were based on size (square miles), spending and population.

If state library appropriations equal at least 11.25% of local and county operating revenues, the state funding formula will change. The new formula will distribute aids based on population (85%), area (7.5%) and shared revenues (7.5%).

*Federal.* Federal grants were less than one percent of operating funds in 2003. These monies are used for many purposes, including internet access, cooperative projects and literary services to special groups.

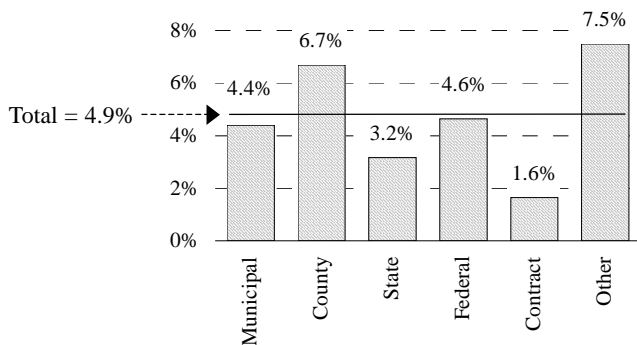
*Other.* Contract revenues, which were also less than one percent of total funding, are often dollars paid by other systems or counties to provide access to library services. "Other income" was nearly 10% of the 2003 total. These dollars include interest and endowment income, gifts and grants.

### Funding Trends

Public library revenues rose 122.0% from 1989 through 2003, or an average of 5.9% per year. Inflation averaged 2.9% during this period. Total revenues per capita increased 96.6%, or 4.9% annually (see line in chart opposite). County revenues (6.7% per year) and "other" sources (7.5%) rose the most. Contract revenues (1.6%) had the smallest increase.

Growth rates slowed over the latter half of the period studied. From 1989 through 1996, total revenues per capita rose an average of 5.2% per year. From 1996 through 2003, they were up 4.7% annually. Since 2000, when state and local budgets have been pinched by a slowing economy and rising health care costs, library revenues per capita rose 4.0% per year.

**County, Other Funding Increases Most**  
Library Funding Per Capita  
Annual Average, 1989 through 2003



**Counties.** Increases in county revenues were among the highest during all periods studied. From 1989 through 1996, they averaged a 7.1% increase per year. During the next four years, county revenue increases averaged 6.3% annually. And, from 2000 through 2003, they were up 6.6% per year.

One reason for the large increase since 2000 was a law change. Prior to 2001, the only county funding requirement was that they provide funding at levels not less than the average of the three previous years. A change in 1997, effective beginning in 2001, requires counties to make payments to municipal libraries of at least 70% of the cost of providing loans to county residents who live in a municipality without a library.

**Municipal.** Although municipal funding is the largest source of library revenues, its share of total funding has fallen. In 1989, municipal dollars were 64.0% of total library revenues. In 2003, the municipal share was down to 59.5%.

**State.** State dollars for library services have fluctuated. Over the 15 years studied, state funding per capita rose an average of 3.2% per year. However, from 2000 through 2003, per capita funding declined 4.2%, or an average of 1.4% per year. Although state dollars were higher in 2001 compared to 2000, they fell 3.0% in 2002 and another 2.5% in 2003.

**Federal.** Federal aids to Wisconsin libraries averaged just under \$1 million from 1989 through 1998. A 29.1% increase in 1999 was followed by another 18.1% jump in 2000. Federal dollars then declined for two years before rising 72.1% in 2003 to \$2 million.

## SPENDING

In 2003, operating expenditures for public library services totalled \$189.8 million,

an increase of 3.9% from 2002. Capital (new buildings, etc.) expenditures were \$21.1 million, which was 16.4% less than in 2002. Capital expenditures remained fairly consistent from 1994 through 2003, averaging \$20.5 million per year.

## Employee Compensation

Compensation (salaries and benefits) for librarians and other staff is the largest expenditure for library services. In 2003, salaries and wages were \$97.9 million, or 51.6% of operating expenditures (see chart below). Employee benefits of \$34.0 million were another 17.9%, bringing total compensation to nearly 70% of operating expenditures. Total compensation rose steadily from 1989 through 2000, rising 5.2% per year during the period.

From 2000 through 2003, rising benefit costs led to larger increases. During this period, benefit costs rose 9.4% per year. During the previous 10 years, increases averaged 5.4%. Although the large increases in benefit costs were partially offset with lower growth in salaries, total compensation climbed 5.7% annually from 2000 through 2003.

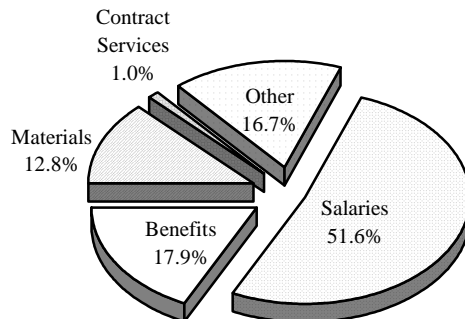
## Library Materials

Expenditures for library materials were slightly more than one-eighth of library expenditures in 2003. Totalling \$24.3 mil-

**Compensation is the largest library expense, almost 70% of the total.**

**Spending on computer software and other electronic formats rose 27% from 1999 through 2003.**

**Compensation Most of Library Costs**  
Operating Exp. for Public Library Services  
2003, \$189.8 Million



**Library spending ranged from \$6.55 per capita in Alma to \$270.03 in La Pointe.**

lion, expenditures for materials rose 77.4%, or 4.2% annually from 1989 through 2003.

Since 1999, materials expenditures have been divided into several categories. Expenditures for books and periodicals were the largest, totalling \$15.7 million in 2003, or nearly two-thirds of all materials. Audiovisual materials were second highest, at \$4.1 million, or 16.7% of the total.

The purchase of magazines, newspapers and other serial publications was 13.1% of materials spending, totalling \$3.2 million in 2003. Another \$1.4 million was spent on other materials, such as microforms, computer software and DVD's.

Although book, magazine and newspaper purchases remain the largest library material expenditures, recent growth has been higher in other categories. From 1999 through 2003, expenditures for the traditional types of materials rose 11.1%, while

spending on audiovisual materials, which recently replaced serial subscriptions as the second-highest materials expenditure, climbed 60.1%.

Expenditures for computer software and library materials in electronic format climbed 27.2%. These expenditures accounted for only 2.7% of materials expenditures in 2003.

### By Library

Spending varies significantly by library. On a per capita basis, operating expenditures ranged from a low of \$6.55 in Alma (Buffalo county) to \$270.03 in La Pointe (see table at left). Spending in La Pointe (the Madeline Island Public Library) was more than double the next-highest municipality (Oneida, \$94.31). The island, in Lake Superior, has a population of fewer than 300 and spent more than \$73,000 on library services in 2003.

Four libraries (Alma, Chilton, Fairchild and Mondovi) spent under \$10 per person.

A second way to compare spending is relative to circulation. A circulation transaction occurs when any library item is loaned or renewed. Some libraries have relatively large circulation figures relative to their populations. Thus, they might be expected to spend more than a library in a similar-sized city with a lower circulation.

Relative to circulation, Oneida (\$40.97) and Keshena (\$36.09) spent the most, while Readstown (\$1.14) and Neillsville (\$1.26) spent the least.

### MATERIALS AND PROGRAMS

Over the last 15 years, Wisconsin's public libraries have expanded their resources, programs and staffing.

### Materials

Books comprise the largest share of library materials. In 2003, public libraries

### Library Spending Varies

Operating Expenditures Per Capita and Per Circulation, 2003

Municipality	Per Capita		Municipality	Per Circ.	
	Amt.	Rk.		Amt.	Rk.
La Pointe	\$270.03	1	Oneida	\$40.97	1
Oneida	94.31	2	Keshena	36.09	2
Wisconsin Dells	89.62	3	Hayward	16.09	3
Presque Isle	83.57	4	La Pointe	11.01	4
La Crosse	79.45	5	Odanah	9.06	5
Land O' Lakes	73.65	6	Mellen	7.68	6
Three Lakes	69.93	7	Montfort	7.67	7
Waterloo	64.90	8	Milwaukee	7.60	8
Elm Grove	64.59	9	Norwalk	7.44	9
Hayward	64.19	10	Taylor	7.37	10
Luck	10.96	371	Poynette	1.49	371
Neillsville	10.94	372	Pittsville	1.47	372
Pepin	10.72	373	Iron Ridge	1.45	373
Webster	10.33	374	Pepin	1.43	374
Bruce	10.21	375	Monticello	1.39	375
Grantsburg	10.12	376	Hortonville	1.39	376
Chilton	9.79	377	Albany	1.34	377
Mondovi	9.46	378	Wautoma	1.32	378
Fairchild	9.17	379	Neillsville	1.26	379
Alma	6.55	380	Readstown	1.14	380
Average	\$33.36	-	Average	\$3.35	-

here had 19,558,509 volumes, up 4.7 million from 1989. Libraries owned 3.56 books per capita in 2003, an increase of 16.4% from 3.06 in 1989.

Although libraries have fewer audio and video materials than books, the quantity of these materials increased much faster over the period studied. In 2003, public libraries had nearly one million (997,321) audio materials, more than double what they had in 1989 (494,790). Video materials topped one million (1,124,510) in 2003. In 1989, libraries had fewer than 100,000 video materials.

Public libraries significantly increased the number of periodical titles (52.3%) from 1989 through 2003, though the actual number of subscriptions (28.2%) rose much less. Libraries appear to be scaling back on multiple subscriptions to the same periodical and using those funds to expand the number of titles available.

In 2003, public libraries had 65,467 subscriptions to 53,164 titles. Since 1989, the number of subscriptions rose 14,391, but the number of titles was up 18,258.

With the rapid advance of technology, more libraries are offering internet access. The number of public-use computers/terminals rose 49.0% from 1999 through 2003 to 5,020. The Bill and Melinda Gates (Microsoft) Foundation provided 743 personal computers and servers to Wisconsin public libraries in 2003.

The number of computers with internet access more than doubled during 1999-2003 from 1,768 to 3,938. As of 2003, all public libraries had internet connections and 99% had high-speed connections.

## Circulation

One measure of how much libraries are used is circulation. Total circulation increased 50.6% from 1989 through 2003

to 54.7 million. Per capita transactions rose by one-third from 7.47 to 9.97.

Adult circulation went up more than children's. The former rose 64.8% to 33.4 million, while circulation of children's material rose 48.8% to 20.0 million. Adult circulation was 61.0% of 2003 total transactions, up from 55.7% in 1989.

Circulation changes varied significantly by library. From 1996 through 2003, 36 libraries more than doubled circulation, while 49 had increases of at least 50%. However, 111 libraries reported circulation in 2003 below 1996 levels.

Per capita circulation figures show which libraries have the highest circulation relative to their populations. In 2003, the median (half lower, half higher) library had 8.9 transactions per person.

Thirteen libraries had more than 20 transactions per person in 2003. The top two, Presque Isle (Vilas county) and Brown Deer, both had more than 25. Other libraries with more than 20 transactions per person were in Amherst, Cambridge, Fremont, Kohler, La Pointe, Marion, Middleton, Monona, Shorewood, Whitefish Bay and Wisconsin Dells.

## Programs

In addition to provided books, periodicals and other resources, public libraries offer various programs for adults and children. In 2003, there were over four times as many children's programs (47,578) as adult programs (10,269). Attendance at children's programs was more than seven times that at adult programs. Libraries averaged nearly 28 children per program and approximately 18 adults.

## NATIONAL COMPARISONS

In several areas, Wisconsin's public libraries ranked high nationally. They

*As of 2003, all public libraries had internet connections; 99% had high-speed connections.*

*In 2003, there were over four times as many children's programs as adult programs.*

were 21st or higher in materials, visitors, circulation and spending.

In 2002, Wisconsin's libraries were among the top 20 in books (20th, 3.46 per capita), audios (10th, 0.17), videos (4th, 0.18) and subscriptions (13th, 10.7 per 1,000 residents). Combining the four categories, Wisconsin was 19th (3.82 per capita).

*Badger State libraries are among the national leaders in visits and circulation.*

Badger State libraries are among the national leaders in number of visits and in circulation. In 2002, library visits totalled 5.74 per capita. That ranked the state 9th nationally. Ohio topped the nation, with visits of 6.90 per capita. Ohio's libraries ranked first in most categories.

In circulation transactions, Wisconsin was 8th. According to national figures, the state had 52.8 million transactions in 2002, or 9.69 per capita. Ohio (14.63) was number one; the national average was 6.85.

Wisconsin's staffing mix differs slightly from the national norm. The state has more librarians per capita (5.48) than the national average (4.05). However, slightly fewer other library staff are employed here (8.16) compared to other states (8.23).

Staff compensation figures can vary for several reasons. First, pay or benefits or both may be generally higher in one state compared to another. Second, states with greater proportions of full-time employees will generally have higher per employee averages. Finally, some states may offer part-time employees some benefits, which will raise total compensation figures.

Wisconsin's libraries paid staff an average salary of \$29,229 in 2002, slightly below the U.S. average (\$30,735). Wisconsin was 21st on salaries per employee.

Annual benefit costs in the state averaged \$9,729 per employee, 4th highest and 32.2% above the national average. States with higher benefit costs were Oregon

(\$12,867), Alaska (\$11,989) and Nevada (\$9,861). The lowest benefit costs were in Hawaii (\$307.09).

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## **Wisconsin compensation for library staff averaged \$38,957, 14th highest nationally.**

Wisconsin was 14th in total compensation for its library staff, at \$38,957. The national average was \$38,092. Compensation ranged from \$19,374 in Mississippi to \$47,882 in Washington.

The state was 17th in operating expenditures per capita (\$31.30). It spent 8.1% above the national average.

Finally, there are funding differences between Wisconsin and other states. Local sources provide 90% of funding here, compared to less than 80% nationally. Wisconsin in 2002 was one of 14 states in which 90% or more of library funding was local.

At the other extreme are Hawaii and Ohio. Hawaii used no local dollars for libraries, while Ohio's funding was less than 20% local. Hawaii ranked among the bottom half in many measures of visits, circulation and materials, while, as noted earlier, Ohio was first in most of these areas.

There is no relationship between funding mix and total revenues. For example, Ohio was first in total funding, while Hawaii was 39th. Meanwhile, Arizona and Washington libraries were the most-locally funded. Arizona was 35th in total revenues per capita, while Washington was 7th. □

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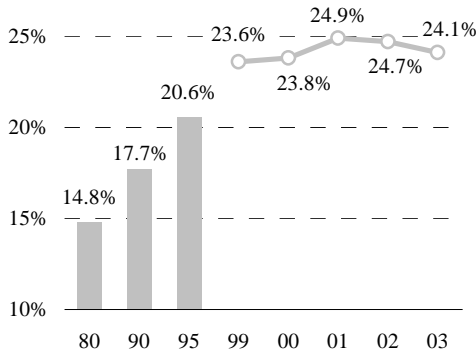
### **DATA SOURCE:**

National Center for Education Statistics; Wisconsin Department of Public Instruction; and WISTAX calculations.

*Wisconsin was 4th highest nationally in benefit costs per employee.*

Continued from back cover

**Bachelor's Degrees Decline Slightly**  
 % of 25-or-Older Pop. with Bachelor's Degree or More



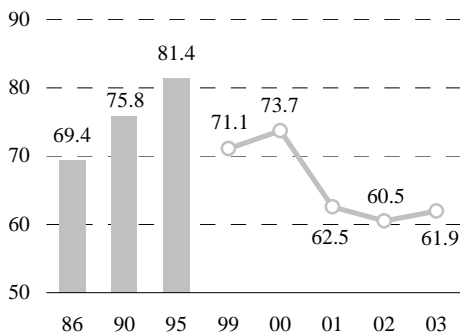
**Higher Education**

Despite these positives, there are several areas of concern. First, Wisconsin has fewer college graduates in its adult population compared to the nation. In 2003, 24.1% of Wisconsin's 25-or-older population had a college degree (see chart above). That was below the U.S. average of 27.2%.

Perhaps more troubling is Wisconsin's decline in this percentage in 2002 and 2003. More than one-third of the new jobs created over the next 10 years will likely require at least a bachelor's degree. To fill those jobs, Wisconsin needs to grow its number of college graduates.

There is also some concern about the number of doctoral degrees in the sciences

**PhD's Per Million Pop. Leveling Off**  
 Science, Engineering, Computing and Math



that Wisconsin is producing. PhD's in science, engineering, computer sciences and mathematics provide the research brainpower to generate tomorrow's technologies and jobs.

Relative to population, doctoral degrees in these key areas rose slightly in 2003, but remained well below the mid-90's high. At 61.9 PhD's per million population, Wisconsin was above the U.S. average (55.4). However, from 1999 through 2003, Wisconsin's PhD numbers fell 23.3%, while national numbers went down 13.7%.

Part of the decline here and nationally is a shift away from the sciences to other academic areas. Since 1994, graduate school enrollments nationally were up more than 10%. However, graduate enrollments in the sciences rose only 3.1%.

Further, the total number of PhD's granted nationally fell 0.5%, but the number granted in the sciences dropped 2.5%. These are broad trends that Wisconsin faces along with other states. However, Wisconsin's more rapid decline is a concern.

To be economically competitive in the 21st Century will require a skilled and highly educated workforce. Wisconsin is preparing its young people for that economy, but seems to have difficulty keeping college graduates. The decline in science PhD's could partially reflect Wisconsin's differential support for education over the last decade. State GPR spending for K-12 schools climbed 135% over the 10 years ending in 2003. Spending for the UW System rose a more modest 37.8%.

For a copy of "Measuring Success: Benchmarks for a Competitive Wisconsin," which this article is based on, contact WISTAX at [www.wistax.org](http://www.wistax.org) or at 608.241.9789. The price per copy is \$3, plus tax. □

*The percentage of residents with a bachelor's degree fell in 2002 and 2003.*

*Relative to population, PhD's in the sciences have fallen from the mid-90's high.*

## Education in a High-Tech Economy

In 1979, Wisconsin's per capita income was on par with the nation's. The state relied on manufacturing to provide good-paying jobs—jobs that typically required on-the-job training rather than a college degree.

Although a transformation had been underway for years, a rapid national shift from traditional manufacturing to a high-tech, knowledge-based economy began during the 1980's. As this change became more apparent in the 1990's and early 2000's, questions arose as to whether Wisconsin was ready for this new economy.

There are several indicators of Wisconsin's readiness for the high-tech information economy. A new Wisconsin Taxpayers Alliance (WISTAX) report, "Measuring Success," highlights some benchmarks of worker preparedness.

### K-12 Education

Children need to acquire strong reading and math skills at a young age. Wisconsin's 4th and 8th graders scored well above national averages in both subjects in 2003. Fourth graders scored nine (reading) and four (math) percentage points above na-

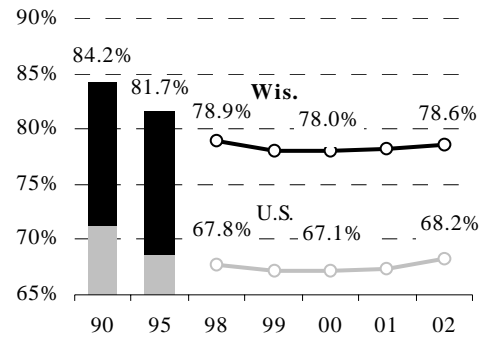
tional averages. Eighth graders scored eight and nine points higher, respectively.

Another measure of the quality of Wisconsin's K-12 students is scores on college-entrance exams. Wisconsin typically is among the top states in ACT scores.

Wisconsin also graduates a greater percentage of students than the U.S. (see chart below). In 2002, the number of graduating seniors relative to the number of freshmen four years earlier was 78.6% here. Nationally, this rate was 68.2%.

*Wisconsin's K-12 students perform well on national tests.*

**Wisconsin Graduation Rates Above U.S. Graduates Relative to 9th-Grade Enrollment Four Years Earlier, Wis. and U.S.**



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### Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033  
608.241.9789 • www.wistax.org

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