



WISCONSIN POLICY FORUM

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Contact:

Rob Henken, (414) 276-8240, ext. 1
rhenken@wispolicyforum.org

Balancing the Books: Fiscal challenges facing the Milwaukee Public Library

Task force recommends stronger public-partnership; long-term fixes also explored

Facing serious financial headwinds, the Milwaukee Public Library should consider opportunities to enhance the partnership with its private foundation as an immediate strategy to prevent severe budget cuts that could hamper its mission.

That's a key recommendation of the Financial Sustainability Task Force, which was created by the Milwaukee Public Library (MPL) Board of Trustees to grapple with fiscal challenges that are intensifying in conjunction with those facing the city of Milwaukee's broader budget. The board commissioned the Wisconsin Policy Forum to facilitate planning sessions and provide research assistance to the task force as it sought to develop recommendations aimed at improving MPL's fiscal picture.

Annual appropriations from the city of Milwaukee are MPL's main source of operating funds. That reliance creates a significant future dilemma given the likelihood that the city's deepening fiscal woes will put that funding at even greater risk in future years.

Despite sweeping technological changes, MPL continues to play a vital role in providing citizens with free access to knowledge, enhancing school readiness for Milwaukee children, and promoting literacy for children and adults.

"At a time when a global pandemic has exposed the depth of racial and socioeconomic inequities in metro Milwaukee, the library's important role as a source of knowledge, education, and enrichment for all residents may now be more pronounced than ever," the report finds.

What's at stake

Difficult budgets have forced MPL to enact cuts in previous years and without action, more drastic options could be possible in the future. These could include closing branch locations, reducing hours or library programming, or some combination.

A \$23 million city appropriation was MPL's largest source of revenue and comprised 70% of its total operating revenues in 2019. Contributions from the independent MPL Foundation, meanwhile, represented 6% of total operating revenues.

The task force discussed the possibility of structural changes that could put the library's budget on a stronger footing in the long term. However, the immediacy of the library's fiscal challenges – and the

fact that such changes would require action by other levels of government and are unlikely to happen soon – prompted a focus on shorter-term options.

Five task force sessions were held, initially in-person and then virtually, from January to September. Findings and recommendations from these include:

- **City support has been flat:** City funding supports the bulk of MPL’s total operating budget, but grew by only \$686,000 (3.1%) since 2011, which equates to a \$2.5 million decrease (-10%) when adjusted for inflation. In light of the need to accommodate inflationary increases in salaries and other items, MPL was forced to cut staff and reduce services during that period. The city’s worsening financial prognosis makes even the prospect of flat funding somewhat dubious going forward.
- **Changes to governance and structure should be considered but are impractical for now:** Task force members agreed that structural changes should be considered, including possible creation of an independent library district with taxing authority or a countywide cultural district that would support MPL and local cultural institutions. However, they agreed that because those and other structural solutions would require state approval, they are unlikely to be approved in the near future.
- **Partnerships and earned revenue possibilities should be pursued but would not provide meaningful long-term relief:** The task force also examined actions MPL could take independently or in partnership with other entities. These include enhanced partnerships with Milwaukee Public Schools, other Milwaukee County libraries, or local nonprofit youth development organizations; and options to grow earned revenues like using MPL facilities to host galas and weddings. While these ideas were deemed to hold some promise, they were not deemed lucrative enough to meaningfully change MPL’s fiscal paradigm.
- **Carving out a larger role for the MPL Foundation:** This was seen as the most effective short-term approach. The Task force recommended the MPL Foundation be approached to consider modifying its manner of support, either by increasing annual contributions or allowing its funding to support ongoing operations. Currently, Foundation monies only support extra programming made possible by its contributions. Task force members acknowledged such a request should be accompanied by a possible maintenance-of-effort financial commitment from the city and a greater say for the foundation in MPL operations.

The task force argued that an enhanced partnership between MPL and its foundation should be viewed not as a comprehensive solution, but as a “life preserver” that would buy some time before significant service reductions again may need to be contemplated. Ultimately, the task force concluded it will be essential for MPL to be included in any broader solution involving new countywide revenue sources for culture, education, and quality of life in the Milwaukee area.

“It is hoped that this report will serve as both a wake-up call to the severity of the challenge and a rallying cry for a new level of public-private cooperation to address it,” the report concludes.

Go here to read the full report, “Balancing the Books: The financial challenges facing the Milwaukee Public Library.”

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