

How the WALS Fee is Calculated (with examples from the 2017 budget)

WALS fees are based on the library's file size (patrons and items) and on the circulation for the prior year. There is also a base fee amount. It is \$7,775 for 2017. It was \$7,545 in 2016.

We begin by calculating the next year's expenditures. Revenues from all other sources (Winnefox, LSTA, Interest, etc) are subtracted from the expenditures. The amount remaining gets shared among the libraries according to the formula. In 2017, WALS expenditures will be \$850,068. Of this, \$192,320 will come from Winnefox, LSTA, and other sources, leaving \$657,477 to be divided among the 29 libraries.

The Formula is calculated based on a library's "file size" and circulation. "File size" is calculated by the total number of items and cardholders in the database as of the end of the previous year. Circulation is the total number of items checked out in the previous year. Each library's percent of the total file size, and percent of the total circulation is averaged and that average percentage is used to calculate the library's initial cost.

The initial cost per library places some libraries below the base cost. We have a base cost because there are other benefits each library receives and related expenses that each library incurs (telecom, internet, website hosting, etc) which are not directly tied to the database size or circulation. Thus the base cost represents a minimum "cost of doing business" regardless of size. So, we bring all the libraries below the base cost up to this amount (\$7,775).

There are 14 libraries that will pay the base fee in 2017. ($14 \times \$7,775 = \$108,850$).

This means that the remaining 15 libraries need to pay \$548,627 ($\$657,477 - \$108,850 = \$548,627$).

However, there is added money (\$38,064) that the below-base libraries are paying to bring them up to the baseline. ($\$108,850$ minus the total of the below-base libraries' actual calculation equals \$38,064) Therefore, what needs to happen is that the initial cost figure to be paid by the above-base libraries needs to be decreased proportionally by \$38,064.

In order to distribute that \$38,064 amount proportionally, we need to re-calculate the percentages to be used for adjusting the original calculation figure.

In order to calculate the new percentage, we take the original formula percentages of the total that above-base libraries need to pay (\$548,627). These percentages won't total 100% because the small libraries aren't figured in that percentage, but they can be used to get an amount per library. A new percentage is then calculated based on each of the above-base library's share of the summed total. The new percentages do equal 100%. Each library's new percentage is then used to divvy up the \$38,064.

So, to use Neenah as an example:

1. As of the end of 2015, Neenah has a file size of 257,057 records. This is the total of their items in the database and their cardholders. This is 18% of the total file size of 1,410,776 records
2. Neenah checked out 895,341 items in 2015. This is 28% of the 3,194,524 items checked out by all 29 libraries.
3. Those two percentages are averaged to get 23%.
4. According to the original formula, Neenah should owe \$152,099, which is 23% of \$657,749.
5. But Neenah should also get a percentage "discount" from bringing the sub-base libraries up to base.
6. So, we take 23% of \$548,092 in order to get Neenah's "share" of that total above-base cost (\$126,928)
7. Then we use the sum of all the above-base "shares" (\$489,829) to calculate what percentage of the \$38,064 Neenah should be "discounted" ($\$126,928 \div \$489,829 = 0.2591$ or 25%)
8. Then take the percentage from Step 7 and multiply it by \$38,064 to get \$9,863
9. Then subtract \$9,863 from the original \$152,099 to get \$142,236, which is their 2017 fee.

Note that because Excel calculates to many more decimal places than shown here these calculations will be slightly different if done on a calculator.

When this process is repeated for all the above-base libraries, the total new fee for libraries above base equals \$493,455 and the sum of the individual "discounts" equals the \$39,010 and the above-base libraries have picked up 100% of the \$493,455.

When the sum of all the libraries (above and below base) is totaled it equals the required \$605,580.

**Figures used to Calculate the 2017 WALs fees
2015 End of Year**

	Patrons	Items	File Size	% of File Size	Total Circulation	Library % of Circulation
BERLIN	6,858	62,423	69,281	4.91%	100,507	3.15%
BRANDON	1,072	6,781	7,853	0.56%	15,634	0.49%
CAMPBLSVRT	3,928	22,552	26,480	1.88%	58,568	1.83%
COLOMA	1,585	12,064	13,649	0.97%	25,811	0.81%
ENDEAVOR	792	9,907	10,699	0.76%	9,258	0.29%
GREENLAKE	2,956	33,219	36,175	2.56%	64,748	2.03%
HANCOCK	765	9,978	10,743	0.76%	15,792	0.49%
KINGSTON	758	12,309	13,067	0.93%	20,304	0.64%
MARKESAN	2,459	17,873	20,332	1.44%	28,069	0.88%
MENASHA	23,922	154,197	178,119	12.63%	427,419	13.38%
MONTELLO	3,550	17,161	20,711	1.47%	47,146	1.48%
NEENAH	36,205	220,852	257,057	18.22%	895,341	28.03%
NESHKORO	357	8,149	8,506	0.60%	4,691	0.15%
NFONDDULAC	3,516	26,413	29,929	2.12%	45,146	1.41%
OAKFIELD	1,148	18,796	19,944	1.41%	25,111	0.79%
OMRO	3,421	28,144	31,565	2.24%	57,634	1.80%
OSHKOSH	56,363	287,733	344,096	24.39%	826,904	25.89%
OXFORD	1,551	9,955	11,506	0.82%	19,767	0.62%
PACKWAUKEE	552	9,161	9,713	0.69%	9,298	0.29%
PINERIVER	806	14,861	15,667	1.11%	20,804	0.65%
PLAINFIELD	1,624	20,787	22,411	1.59%	22,865	0.72%
POYSIPPI	601	16,510	17,111	1.21%	9,704	0.30%
PRINCETON	2,165	22,846	25,011	1.77%	36,020	1.13%
REDGRANITE	1,373	13,222	14,595	1.03%	17,078	0.53%
RIPON	8,511	71,272	79,783	5.66%	140,617	4.40%
WAUTOMA	5,964	35,221	41,185	2.92%	81,512	2.55%
WESTFIELD	2,959	18,143	21,102	1.50%	52,536	1.64%
WILDROSE	2,341	16,279	18,620	1.32%	41,765	1.31%
WINNECONNE	4,050	31,816	35,866	2.54%	74,469	2.33%
	182,152	1,228,624	1,410,776	100.00%	3,194,518	100.00%