



STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
OFFICE OF THE STATE LIBRARIAN
44 MERCHANT STREET
HONOLULU, HAWAII 96813

August 20, 2013

TO: The Honorable Wesley Lo, Chairperson
Committee on Finance and Infrastructure
Board of Education

FROM: Richard Burns
State Librarian

A handwritten signature in cursive script that reads "Richard Burns".

SUBJECT: **Discussion/Recommendation for Board Action on the Hawaii State
Public Library System's Operating Budget for Fiscal Year 2013-14.**

1. **RECOMMENDATION**

It is recommended that the Board of Education approve the Hawaii State Public Library System's (HSPLS) proposed operating budget restrictions for Fiscal Year (FY) 2014, as described in the Executive Memorandum No. 13-02 dated June 28, 2013. Executive Memo No. 13-02 imposes a restriction of \$1,453,031 for FY 2014. HSPLS recommends meeting this restriction by reducing the \$700,000 e-book, materials appropriation by \$200,000 and the remainder of the \$1,253,031 from temporary hire reductions and filling of only select vacant positions.

2. **RECOMMENDED EFFECTIVE DATE**

Upon approval.

3. **RECOMMENDED COMPLIANCE DATE**

Upon approval.

4. **DISCUSSION**

a. **Conditions leading to the recommendation**

On October 17, 2012, we submitted our Board approved FB 2013-15 Executive Budget Request requesting 32.00 FTE additional positions and additional funds of \$3,259,112. Please refer to our attached Legislative Status Report on how our budget request fared through the 2013 legislative session. Act 134, 2013 eliminated 7.50 positions and funds of \$268,362 but added \$700,000 for e-books and library materials for FY 2014 only. Our CIP budget requests were approved (see Form S) except for a reduction to our Health & Safety Statewide appropriations of \$1.5M over the Fiscal Biennium.

In spite of the rebound of the State's economy, the Governor remains cautious about its sustainability in the face of numerous uncertainties and continues to be very prudent with our increasing expenditures. Therefore, HSPLS along with every other State department is again subject to a 5% contingency reserve restriction. Please refer to (1) Recommendations above for the breakdown of this \$1,453,031 restriction and to our attached response to the Governor on the impact of these reductions and our current financial condition.

b. Previous action of the Board on the same or similar matter

The Committee and the Board always review and approve HSPLS budget plans, requests, amendments, and restrictions.

c. Other policies affected

Policy No. 1200-1.11, Budget Restrictions and Reductions Policy, governs the method by which the HSPLS shall reduce our operating budget. The policy states that the State Librarian shall "provide the Board with comprehensive lists of recommended restrictions or reductions by program, function, and costs. Further, the recommended restrictions or reductions shall be approved by the Board before they are forwarded to the Governor or to the Legislature. These recommendations must meet one or more of the following criteria: (1) that all students will continue to receive equal opportunities for all educational programs or services or all library users will continue to receive equal services; (2) that the well-being of students or library users are protected and (3) that all judicially- and legally-mandated programs and services are preserved."

d. Arguments in support of the recommendation

Our recommendations meet the criteria cited from the Board's policy on restrictions and reductions. Library programs and services can and will continue to be offered, and the health, safety, and security of our patrons and employees in our facilities will be preserved. No libraries will be closed.

e. Arguments against the recommendation

As in the past years, our patrons and supporters were strongly against any kind of HSPLS funding cuts.

f. Findings and conclusions of the Board committee

Pending Committee action.

g. Other agencies or departments of the State involved in the action

None.

h. Possible reaction of the public, professional organizations, union, DOE staff and/or others to the recommendations.

None.

i. Educational implication

None.

j. Personnel implications

HSPLS shall be recruiting and filling only critical positions to meet the restricted vacancy savings.

k. Facilities implications

None

l. Financial implications

The recommendation ensures that HSPLS is in compliance with the general fund appropriation restrictions imposed by the Governor.

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

Attachments

HAWAII STATE PUBLIC LIBRARY SYSTEM
LEGISLATIVE STATUS REPORT
FISCAL BIENNIUM 2013-2015 BUDGET REQUEST
July 1, 2013 to June 30, 2014

Description	MOF	HSPLS/BOE APPROVED			GOVERNOR BUDGET			HB 200, HD 1			Act 134/2013	
		FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	
FTE - General, Permanent	A	555.00	555.00	555.00	555.00	555.00	555.00	555.00	555.00	555.00	555.00	
FTE - General, Temporary	A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Base Budget - General	A	28,828,973	28,828,973	28,828,973	28,828,973	28,828,973	28,828,973	28,828,973	28,828,973	28,828,973	28,828,973	
Base Budget - Special	B	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	
Base Budget - Federal	N	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	
Total Base FTE (Permanent)		555.00	555.55	555.55	555.55	555.55	555.55	555.55	555.55	555.55	555.55	
Total Base Budget		33,319,217	33,319,217	33,319,217	33,319,217	33,319,217	33,319,217	33,319,217	33,319,217	33,319,217	33,319,217	
Budget Request												
E-books, Materials		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	700,000	
Service hours increase	21.00	602,741	602,741	300,000	300,000	0	0	300,000	300,000	0	0	
Staff Shortages- new libraries	9.00	283,221	283,221									
Technology	2.00	186,594	300,594									
Reduce Positions and Funds												
Total FTE adjustments	32.00	32.00	32.00	0.00	0.00	-47.50	-47.50	0.00	0.00	0.00	-7.50	
Total Funding adjustments		1,572,556	1,686,556	800,000	800,000	-1,260,542	-1,760,494	800,000	800,000	431,638	-268,362	
Totals	32.00	1,572,556	1,686,556	800,000	800,000	-1,260,542	-1,760,494	800,000	800,000	431,638	-268,362	
Revised Budget												
General Fund - FTE (Permanent)	A	587.00	587.00	555.00	507.50	507.50	507.50	555.00	555.00	547.50	547.50	
General Fund - FTE (Temporary)	A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
General Fund	A	30,401,529	30,515,529	29,628,973	27,568,432	27,068,479	29,628,973	29,628,973	29,628,973	29,260,611	28,560,611	
Special Fund	B	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000	
Federal Fund	N	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	1,365,244	
Total FTE (Permanent & Temporary)		587.00	587.00	555.00	507.50	507.50	507.50	555.00	555.00	547.50	547.50	
Total Budget		34,891,773	35,005,773	34,119,217	34,119,217	32,058,676	31,558,723	34,119,217	34,119,217	33,750,855	33,050,855	

FY 2014 ALLOCATION

DEPARTMENT OF EDUCATION - PUBLIC LIBRARIES
July 2013

	General Fund	Special Funds	Federal Funds (N)	Other Federal Funds (P)	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus	Revolving Funds	Other Funds	Total Allocation	GO Bond Funds (CB)
Appropriation	547,50	3,125,000		1,365,244								547,50	
Collective Barg.	29,260,611											33,750,855	
Contingency Reserve	371,742											371,742	
Restrictions	(1,453,031)											(1,453,031)	
TOTAL	547,50	3,125,000		1,365,244								547,50	
	28,179,322											32,669,566	

Details of Collective Bargaining

Bargaining Unit	General Fund	Special Funds	Federal Funds	Trust Funds	Inter-dept'l Transfers	Revolving Funds	Other Funds	Total CB Allocation (Operating)	GO Bond Funds (CB)
BU 01 - Included	36,858							36,858	
- Excluded	7,488							7,488	
BU 02, 03 & 04									
- Included	248,591							248,591	
- Excluded	48,750							48,750	
BU 05 - Included									
- Excluded									
BU 08 - Included									
- Excluded									
BU 09 - Included									
- Excluded									
BU 10 - Included									
- Excluded									
BU 13 -									
- Excluded	30,055							30,055	
Salary Commission/ Statutorially-Linked									
TOTAL C.B.	371,742							371,742	