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September 20, 2018

TO: The Honorable Kenneth Uemura, Chairman  
Finance and Infrastructure Committee  
Board of Education

FROM: Stacey A. Aldrich  
State Librarian

SUBJECT: Update on the Hawaii State Public Library System's Supplemental Budget Allocation for Fiscal Year 2018-2019 and laws affecting libraries passed during the 2018 legislative session

We are pleased to present an overview of the Hawaii State Public Library System's (HSPLS) Supplement Budget Allocation for Fiscal Year 2018-2019.

This first table is a general overview of the approved budget for both FY2018 and FY 2019.

	FY2018 Approved Budget	FY2019 Approved Budget
General Fund Positions		
Additional Positions		3.50
Adjusted by reduction of 1 position		-1.00
Total FTE (Permanent & Temporary)	559.00	560.50
General Fund	35,325,668	36,163,876
Special Fund	4,000,000	4,000,000
Federal Fund	1,365,244	1,365,244
<b>Total Operating Budget</b>	<b>40,690,912</b>	<b>41,529,120</b>

A spreadsheet is attached (Please see Attachment A) to provide further details on the FY2019 budget. A few points to note regarding the FY2019 budget:

- While we received the 3.5 additional positions that we requested to complete Nanakuli's staffing requirements, our total position count was reduced by one position.
- An additional \$500,000 was allocated for Repair & Maintenance for our 51 branches and 2 administrative buildings, which brings our base budget to \$1M.
- \$500,000 was allocated for Library Books & Materials. This is an increase from the \$250,000 in the previous budget, but only for FY2019.
- \$100,000 was added to do a Public Library Lands Pilot Program.

- \$110,000 was added as a Grant pursuant to Chapter 42F, HRS to Hawaii Literacy, Inc. HSPLS is required to manage the grant to Hawaii Literacy, Inc.
- The funding listed in Special Funds provides HSPLS with the authority to spend up to the listed amount in the budget. It does not mean that we have that amount of funding. For Special funds, we began the FY2019 with \$2,985,000.
- The funding listed in Federal Funds also provides HSPLS with the authority to spend up to the listed amount in the budget. In this case, every year we receive a Library Services and Technology Act (LSTA) Grants to States grant from the Institute of Museum and Library Services. Each grant provides 2 years for expenditure. Because our grants overlap each year, the authority gives us an opportunity to spend from both grants.
- The Governor did issue a 5% restriction on our General Funds budget for FY2019. That is a total of \$1,808,194 that is held back in reserve until Budget & Finance authorizes its release.

This second table provides an overview of the funding received for Capital Improvement Projects (CIP).

PROJECTS	FY2018 Approved Budget	FY2019 Approved Budget
Health & Safety CIP	\$6,500,000	\$3,500,000
<i>Hawaii State Library, Oahu</i> Design and construction to replace roof drain liner on State Library; ground and site improvements; equipment and appurtenances	\$165,000	
<i>Liliha Library, Oahu</i> Plans, design, and construction for library upgrades; ground and site improvements; equipment and appurtenances	\$500,000	
<i>Kahului Library, Maui</i> Plans, design, construction, and equipment for the repair, renovation, refurbishment, installation, and development of roof and ceiling; project to include lighting upgrade; equipment and appurtenances.		\$700,000
<i>Keaau &amp; Mountain View Library, Hawaii</i> Plans for a new library in Keaau and Mountain View Hawaii.		\$300,000
<i>Makiki Public Library, Oahu</i> Plans and design for phase I renovation of the existing building for a new public library; ground and site improvements; equipment and appurtenances.		\$3,500,000
<i>Wahiawa Library, Oahu</i> Plans, design, construction, and equipment to replace windows with awning tint, air conditioning, replace 8 air handling units, and replace chiller, electrical upgrade, replace roof, and fire alarm update.		\$1,800,000
<i>Waikoloa Library, Hawaii</i> Land acquisition for a public library in Waikoloa; ground and site improvements; equipment and appurtenances.		\$1,900,000
<b>TOTAL</b>	<b>\$7,165,000</b>	<b>\$11,700,000</b>

We are grateful to Governor Ige and the legislature for their support of our Public Libraries in the FY2019 budget.

## Laws Affecting Libraries

The following bills were passed that affect the Hawaii State Public Library System:

- **HB2353 HD1 SD2 CD1 (Act 171, SLH 2018)**  
Made miscellaneous technical amendments to the Hawaii Revised Statutes to facilitate library operations
  - To allow HSPLS to update its meeting room fee schedule to provide additional revenue for individual libraries.
  - Eliminate administrative fees incurred by the Friends of the Library of Hawaii for funds raised by the organization on behalf of HSPLS. FLH funds would continue to be held in a federally- insured financial institution, but no longer needs to be held in trust.
- **HB2354 HD1 SD2 CD1 (Act 170, SLH 2018)**
  - Increased the amount an individual taxpayer may donate to the libraries special fund from \$2 to \$5, and joint filers from \$4 to \$10.
- **SB3002 SD1 HD1 CD1 (Act 167, SLH 2018)**
  - Authorizes public library employees to be notaries public and charge a fee for the service.

If you have any further questions, please do not hesitate to contact Mallory Fujitani at 808-586-3704 or [mallory.fujitani@librarieshawaii.org](mailto:mallory.fujitani@librarieshawaii.org).

FISCAL YEAR 2019 SUPPLEMENTAL BUDGET

JULY 1, 2018 TO JUNE 30, 2019

Description	ACT 49/SLH 2017		HSPLS BUDGET		BOE		B&F		GOVERNOR		HB 1900	
	MOF	FY 2019	REQUEST	FY 2019	BUDGET	FY 2019	RECOMMENDATION	FY 2019	REQUEST	FY 2019	CD 1	FY 2019
FTE - General, Permanent	A	558.00	558.00	558.00	558.00	558.00	558.00	558.00	558.00	558.00		558.00
FTE - General, Temporary	A	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00
Base Budget - General	A	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260		34,876.260
Base Budget - Special	B	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000		4,000.000
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)		558.00	558.00	558.00	558.00	558.00	558.00	558.00	558.00	558.00		558.00
Total Base Budget		40,241.504	40,241.504	40,241.504	40,241.504	40,241.504	40,241.504	40,241.504	40,241.504	40,241.504		40,241.504
<b>SEQ #</b>			<b>FTE</b>				<b>FTE</b>					<b>FTE</b>
<b>4-001</b>	<b>Budget Request</b>											
<b>100-001</b>	<b>Add Funds for Collective Bargaining</b>											
	<b>Additional Positions for Nanakuli Public Library</b>											
			1.00	31,080	31,080	31,080	31,080	31,080	31,080	31,080	1.00	31,080
			1.00	26,556	26,556	26,556	26,556	26,556	26,556	26,556	1.00	26,556
			1.00	26,556	26,556	26,556	26,556	26,556	26,556	26,556	1.00	26,556
			0.50	19,464	19,464	19,464	19,464	19,464	19,464	19,464	0.50	19,464
<b>101-001</b>	<b>Underfunded Operational Expenses - Repair &amp; Maintenance</b>											
<b>102-001</b>	<b>Underfunded Operational Expenses - Library Books &amp; Materials</b>											
			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		1,000,000
<b>2001-001</b>	<b>Reduce (2) Permanent Positions - EDN407/QI - Library Tech VII</b>											
	<b>#4635 - 35,676 and Library Tech V #19323 - 30,468</b>											
<b>2002-001</b>	<b>Reduce (1) Permanent Library Technician V (EDM407/QJ) - #13037</b>											
<b>3000-001</b>	<b>Reduce Perm Library Assistant III - Pos#13034 - EDN407/QI</b>											
<b>3001-001</b>	<b>Add funds for Public Library Lands Pilot Program - EDN407/QB</b>											
	<b>Add funds as a Grant pursuant to Chapter 42F, HRS to Hawaii Literacy, Inc.</b>											
			0.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.50
			0	1,603,656	1,603,656	1,603,656	1,603,656	1,603,656	1,603,656	1,603,656		1,287,616
			0	0	0	0	0	0	0	0		0
			0	0	0	0	0	0	0	0		0
			0	1,603,656	1,603,656	1,603,656	1,603,656	1,603,656	1,603,656	1,603,656		1,287,616
<b>General Fund - FTE (Permanent)</b>	A	558.00	558.00	558.00	558.00	558.00	558.00	558.00	558.00	558.00		558.00
<b>General Fund - FTE (Temporary)</b>	A	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00
<b>General Fund</b>	A	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260	34,876.260		34,876.260
<b>Special Fund</b>	B	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000	4,000.000		4,000.000
<b>Federal Fund</b>	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
<b>Total FTE (Permanent &amp; Temporary)</b>		1,019.00	1,019.00	1,019.00	1,019.00	1,019.00	1,019.00	1,019.00	1,019.00	1,019.00		1,019.00
<b>Total Budget FY 2019</b>		40,241.504	40,241.504	40,241.504	40,241.504	40,241.504	40,241.504	40,241.504	40,241.504	40,241.504		41,529.120

Requested Positions												
FY2019 Supplemental Budget Requests												
2019 BUDGET												
HSPLS BUDGET			BOE			B&F			GOVERNOR			HB 1900
REQUEST			BUDGET			RECOMMENDATION			REQUEST			CD 1
FY 2019			FY 2019			FY 2019			FY 2019			FY 2019
SR#	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Nanakuli</b>	<b>old#</b>	<b>s/b #</b>										
EDN407QD	18931E	19930E	Library Technician V	SR11	1.00	31,080	1.00	31,080	1.00	31,080	1.00	31,080
EDN407QD	18934E	19931E	Library Assistant III	SR07	1.00	26,556	1.00	26,556	1.00	26,556	1.00	26,556
EDN407QD	18935E	19932E	Library Assistant III	SR07	1.00	26,556	1.00	26,556	1.00	26,556	1.00	26,556
EDN407QD	18936E	19933E	Janitor II	BC02	0.50	19,464	0.50	19,464	0.50	19,464	0.50	19,464
EDN407QI	LBPH	4635	Library Technician VII	SR15								
EDN407QI	LBPH	19323	Library Technician V	SR11								
EDN407QJ	HSL	13037	Library Technician V	SR11								
EDN407QJ	HSL	13034	Library Assistant III	SR07							(1.00)	(26,040)
					<b>3.50</b>	<b>103,656</b>	<b>3.50</b>	<b>103,656</b>	<b>3.50</b>	<b>103,656</b>	<b>2.50</b>	<b>77,616</b>