




STATE OF HAWAII  
HAWAII STATE PUBLIC LIBRARY SYSTEM  
'OIHANA HALE WAIHONA PUKE AUPUNI O KA MOKU'ĀINA O HAWAI'I  
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October 22, 2024

**MEMORANDUM**

TO: Ken Kuraya, Chairperson  
Finance and Infrastructure Committee  
Board of Education

FROM: Stacey A. Aldrich   
State Librarian

SUBJECT: Hawaii State Public Library System's operating budget and capital improvement projects request for fiscal biennium 2025-2027

The Hawaii State Public Library System (HSPLS) respectfully requests the support of the Board of Education for our Fiscal Biennium 2025-27 (FB2025-2027) Budget. The HSPLS proposed budget reflects the guidelines outlined in the FB2025-27 Executive Budget Request and the Program and Financial Plan for the Period 2025-31.

**INTRODUCTION**

The mission of the Hawaii State Public Library System (HSPLS) *is to inspire curiosity and create opportunities for everyone to read, learn and connect.* Our community hubs in 51 locations on 6 islands and two bookmobiles create equitable access to information, ideas, stories, learning, technology and spaces for all. HSPLS is the community space that supports and welcomes everyone: from families bringing keiki to story times, to building emergent literacy skills, to people writing resumes, to kupuna learning and teaching mahjong.

While our public libraries provide access to traditional collections of printed materials, they are also vital places for people to access technology, internet, WIFI and opportunities to learn digital literacy skills. In some communities, particularly rural, neighbor island communities, the public library is the only place with internet connectivity. Our public libraries are the equalizer.

HSPLS' budget request for FB2025-2027 reflects what is needed to maintain services to the public and falls into these categories: 1) Restoration of positions, 2) Security, 3) Temporary Service Locations, 4) New branch manager for new Waikoloa Public Library, 5) Additional Repair and Maintenance (R&M) funding and 6) Automated Materials Handling System Implementation.

## OVERVIEW OF FB2025-2027 REQUESTS

	FY2026 BUDGET	FY2027 BUDGET (Requests only)
<b>General Funds</b>		
<b>Total FTE (Permanent &amp; Temporary)</b>	531*	<b>566.5</b>
<b>Base Budget FB2025-2027</b>	<b>\$45,215,582</b>	
<b>New Requests for increase to base budget and non-recurring for FB2025-2027</b>		
<i>Restoration of 36.5 positions</i>	\$2,009,268	
<i>Security Services - increase to base budget</i>	\$1,200,000	
<i>Temporary library location for Wahiawa during construction</i>	\$200,000	\$200,000
<i>Temporary library location for Pearl City during construction</i>	\$150,000	\$150,000
<i>Temporary library location for Makawao during construction</i>	\$84,000	\$84,000
<i>Librarian IV position for Branch Manager for new Waikoloa Public Library (six months first year and full salary beginning in FY28)</i>		\$31,548
<i>Repair and Maintenance - increase to base budget in FY26 and one-time funding in FY27 to support facility projects</i>	\$500,000	\$2,000,000
<i>Automated Handling System for book processing and delivery</i>	\$500,000	\$250,000
<b>Total General Funds Requests</b>	<b>\$4,643,268</b>	<b>\$2,715,548</b>
<b>Special Funds (Fines and Fees)</b>	<b>\$4,000,000</b>	
<b>Federal Funds (Library Services &amp; Technology Act (LSTA))</b>	<b>\$2,000,000</b>	
<b>Total Operating Budget</b>	<b>\$55,858,850</b>	

\*This FTE is based on the Governor's Finance Memo 24-10 to eliminate 36.5.

Our Budget Requests in priority order (see Attachment A for rationale):

**1. Restoration of 36.5 positions**

The Finance Memorandum No. 24-10 from the Director of Finance requires that all positions that had not been filled in 5 years were considered long-term vacancies and shall be deleted from our FB 2025-2027 budget. We respectfully request \$2,009,268 to restore the funding for the identified vacant positions.

**2. Security (Guard Services)**

HSPLS went through the process to identify a new security guard service in FY23; the new contract went into effect in January 2024. The cost of the new services is double what we were paying before. We need an additional \$1,200,000 in our base budget to meet the total increased cost of security guard services.

**3. Temporary Service Locations**

HSPLS has several upcoming construction projects that will temporarily close libraries in high-usage areas, requiring the need to open temporary service locations.

a) Wahiawa: FY26 \$200,000 (rental and fees) and FY27 \$200,000 (rental and fees)

b) Pearl City: FY26 \$150,00 (rental and fees) and FY27 \$150,000 (rental and fees)

c) Makawao: FY26 \$84,000 (rental and fees) and FY27 \$84,000 (rental and fees)

**4. Librarian IV position – new Waikoloa Public Library**

HSPLS is working on the design and construction of a new library in Waikoloa. We will need to hire the new branch manager in FY27 to help with the building design process, including the ordering of furniture and fixtures and building a new library collection. We are requesting six months of the first-year salary at \$31,548, as advised in Memo No. 24-10.

**5. Repair and Maintenance (R&M)**

We are requesting an increase of \$500,000 to the current base budget of \$1,000,000 for Repair and Maintenance starting in FY26. The increase is needed for an increase in large repair costs for issues such as elevators, as well as funding for new furniture and fixtures for recently renovated libraries. In FY2027, we are requesting an additional one-time request of \$2,000,000 to support four facilities projects which will require new furniture and fixtures: Pearl City, Makawao, Wahiawa and Keaau-Mt. View.

**6. Automated Material Handling System (AMHS)**

Funding for this equipment will allow us to sort materials more quickly and efficiently for delivery. We are requesting \$500,000 in FY26 and \$250,000 in FY27.

## CAPITOL IMPROVEMENT PROJECTS

CIP PROJECTS	FY26 BUDGET REQUEST	FY27 BUDGET REQUEST
Health and Safety	\$25,000,000	\$25,000,000
Kapaa Planning & Design Funding	\$2,000,000	

HSPLS is requesting CIP Health and Safety funding of \$25,000,000 in both FY26 and FY27. This funding ensures that projects already in progress will be able to proceed to construction without delay due to lack of funding, as well as allow us to initiate new projects without delay. The increase in funding will also allow us to move forward with construction projects that were projected to go out to bid during FY25; the funding for these projects was deleted from our budget in Act 230, Session Laws of Hawaii 2024.

Investing in our public libraries, which provide access to reading, learning and connecting for everyone in Hawaii, is an investment in our communities. Mahalo for your review and consideration of our budget request.

If you have any questions or require further information, please do not hesitate to contact Mallory Fujitani, Special Assistant to the State Librarian, at [mallory.fujitani@librarieshawaii.org](mailto:mallory.fujitani@librarieshawaii.org) or (808) 586-3714.

# ATTACHMENT A

## FISCAL BIENNIUM 2025-27 BUDGET REQUEST

### 1. Restoration of 36.5 Positions - \$1,938,252

The Department of Budget and Finance (B&F) identified 36.5 positions (this represents a total of 37 positions: 3 part-time positions 35 full-time) that had not been filled in the past five years. As a public library system with 51 branch libraries and 9 support offices on six islands, we are already understaffed. The loss of these vacancies will permanently impact the operations of the Hawaii State Library, which is the flagship library for our statewide public library system and the operations for the public library system as a whole. Despite very aggressive attempts to hire new employees, we were unable to fill all positions primarily due to factors outside of our control. The inability to fill is primarily due to a combination of DHRD's antiquated hiring processes AND B&F budget restrictions, which forces us to operate with less than full funding. Specifically:

- a) DHRD's method of processing applications and transmitting them to departments/agencies in a timely manner. Each vacancy takes at least 6-12 months to fill. The manual processes also consume weeks and months of time by the hiring dept./agency which is already limited in staff time. It takes months to receive a list of applicants; by the time the list is received, the applicants have found other jobs and/or the applicant moves from another library position, which creates another vacancy within our system. For example, for some of our fiscal office positions, we are lucky if 1 in 10 applicants respond to a request for an interview.
- b) Since 2020, 64 positions (approximately 11% of our position count = \$3.2 million) were not funded until the current biennium budget. Sixty-five percent of the positions that are listed were not funded from FY21-FY23. Once we finally had the funding, the DHRD processes and B&F budget restrictions prevented us from filling the positions.
- c) Budget and Finance (B&F) restrictions of 8-10% each year reduces our budget by another \$4M or \$1M per quarter. B&F only provides  $\frac{1}{4}$  of the restricted budget total to start a fiscal year, which directly impacts whether there is sufficient funding to pay for new hires for the entire fiscal year. HSPLS has few choices to operate without full funding – either not pay for contractual obligations (i.e., default on service contracts, utilities, health and safety repairs) or slow down hiring.
- d) Lack of full funding and the extremely slow and manual DHRD hiring process means that we must prioritize which positions to fill. We must choose between vacancies at small rural neighbor island libraries (to avoid having to shut down the library due to lack of staffing) or fill positions at the Hawaii State Library. While there are a lot more staff positions at HSL, the library is more than 10 times the size of most other libraries and staff there manage the largest collection and all special collections that are maintained for the entire statewide system. HSL is also responsible for providing collection and programming support to the 49 other branches. Also, with 25 libraries on Oahu, to avert closing down a library due to lack of filled positions, we are able to temporarily shift employees from another library. This is less possible on the neighbor islands. Even this is a limited option, as ALL Oahu libraries have some vacancies.

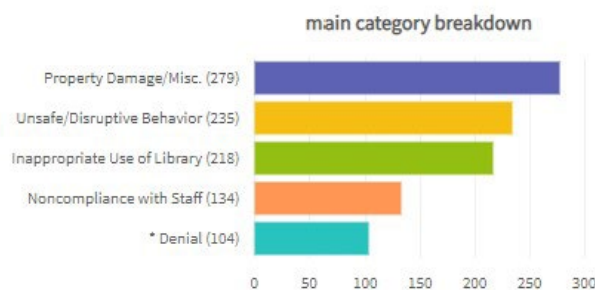
Cutting the funding for these permanent positions means the statewide collection and support for the branches of the library system will be permanently impacted because DHRD's inefficiencies and B&F restrictions will continue. HSPLS will not be able to provide equitable access to library books, information, technology and other important services because there are not enough staff to keep all of our libraries open.

In addition, four of the identified positions have been filled and we are in midst of the hiring process for an additional seven of the identified positions.

Lastly, the loss of this funding will impact our ability to meet our Maintenance of Effort (MOE) match requirements for our federal Library Services and Technology Act (LSTA) funding. We must maintain funding at a level 3-year average of reporting the investment that the State makes in public libraries. We will not be able to stay within the 3-year average with this reduction; in future years this will reduce the federal funding we receive equal to the percentage reduction, which will impact our technology and access to digital resources for our communities.

## 2. Security - \$1,200,000

Since the beginning of 2024, we have had 628 security incidents reported by our libraries statewide. The chart below breaks down the types of incidents that our staff have been experiencing:



Sadly, we continue to see more individuals who are not able to self-regulate their behavior or words. This year, we had two library staff members physically assaulted by unstable patrons. In order to create safe spaces for the public and our staff, we need to have qualified and trained security guards. The additional funding will address the anticipated increase in cost for security guard services.

For several years, a security guard company procured through the low-bid process was not responsive to the needs of our libraries. They did not have enough guards and many were not trained. In January 2024, we switched over to the State price list vendor for security services; these rates are 50% higher than our former contract. Our request for additional funding in our base budget is necessary to address this increased cost of security services statewide.

### 3. Temporary Service Locations

We are grateful to governors Green and Ige, and the Hawaii State Legislature, for supporting several building projects to improve our library spaces for our communities. We have three upcoming projects that will require us to close well-used branches and to provide temporary locations during construction.

LIBRARY	FY26	FY27
Wahiawa Public Library	\$200,000	\$500,000
Pearl City Public Library	\$150,000	\$150,000
Makawao Public Library	\$84,000	\$84,000

The requested funding will be used to lease space required for each temporary location.

### 4. Librarian IV Position for new Waikoloa Public Library - \$31,548

For more than 15 years, the Friends of the Waikoloa Public Library have been advocating and fundraising for a public library in the growing village of Waikoloa. Their closest public library is at least 20 miles away. After years of work and support of governors Green and Ige, Hawaii State Legislature, Department of Land and Natural Resources, and the County of Hawaii, we finally have land and funding to build a new library.

The Librarian IV will be the Branch Manager for the new library upon completion of construction. However, prior to opening, there are a number of tasks and coordination that must be done in order to have all of the pieces in place to open the library to the community. Similar to the opening of the Nanakuli Public Library, hiring the branch manager ahead of construction will ensure that the transition into a new location is smooth. The branch manager will work directly with the Office of the State Librarian to monitor the construction project, hire staff, build the library's collection, work with the community and prepare the new library for opening.

We are requesting partial year funding in FY2027; in the subsequent fiscal year, we will be requesting full funding for the position, which is estimated at \$63,096 annually. We anticipate requesting funding for the remaining staff positions in the next biennium budget.

### 5. Repair and Maintenance - \$500,000

The Hawaii State Public Library System is made up of 51 branches and 2 administrative offices. With sixty percent of our buildings being built before 1970, and too many years of neglect, we need additional funds to help us address large repair projects, including elevator repairs and additional preventive maintenance projects. We are requesting an additional \$500,000 in our base budget to bring our total Repair and Maintenance budget to \$1.5M), which will help us maintain safe and healthy buildings.

In addition, in FY27, we will be asking for a one-time request of \$2,000,000 for four facilities projects that will require new furniture and fixtures. The four projects are: Pearl City, Makawao, Wahiawa, and Keaau-Mt. View. All of these projects entail a substantial renovation (Pearl City, Makawao) or the building of a new library building (Wahiawa, Keaau-Mountain View).

#### **6. Automated Material Handling System (AMHS) – \$500,000 in FY26 and \$250,000 in FY27**

This funding will be used to purchase and implementation of AMHS equipment for our statewide library system. AMHS equipment will take advantage of the Radio Frequency Information Technology system that went live in April 2024. In the first phase of conversion to the RFID system (from the old bar code system), improvements were made within the branch libraries: the entire library book and material collection (approximately 2.7 million items) were tagged with RFID tags; almost all libraries were equipped with RFID-compatible security gates; and all libraries were provided with new checkout equipment for staff and self-checkout equipment for library patrons.

As the next phase of improvements, AMHS equipment will provide us with a significant increase in efficiency in our circulation of over 3 million items throughout the State each year. More efficiency in our delivery system will allow for increased usage of the current collection and shorten wait times for library materials for library patrons.

Currently, sorting and delivery of all library books and materials in our statewide system is handled manually. This means that on any given day, branch library staff and delivery drivers are manually sorting returned materials for re-delivery. This funding will allow us to purchase and initiate use of AMHS equipment at our main delivery points on each island.