



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

July 9, 2009

TO: The Honorable Garrett Toguchi, Chairperson  
and Members  
Board of Education

FROM: Richard Burns  
State Librarian

A handwritten signature in black ink that reads "Richard Burns".

SUBJECT: **Approval of Hawaii State Public Library System's PROPOSED  
OPERATING BUDGET RESTRICTIONS FOR FISCAL YEAR 2010**

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) 2010, as described in the Executive Memorandum No. 09-03 dated June 15, 2009, and continuing the execution policies from Executive Memorandum No. 08-03 dated June 23, 2008 and Executive Memorandum No. 08-05 dated August 26, 2008. Executive Memo No. 09-03 imposes a restriction of \$2,780,988 and releases only \$6,516,544 for our first quarter budget allocation for FY 2010. HSPLS recommends meeting this restriction by freezing all vacant positions, implementing an HSPLS personnel reduction plan, and closing 5 public libraries as described in **Attachment A**. We also project an additional budget shortfall of over \$1M in operating costs (non-personnel costs) for FY 2010 if we continue to operate and keep the same public service schedule as last fiscal year for all 51 public libraries.

As soon as this new recommendation is approved by the Board; it will be transmitted to all affected labor unions for negotiation, then subsequently to the Governor and the Department of Budget & Finance.

2. **RECOMMENDED EFFECTIVE DATE**

Upon approval.

**3. RECOMMENDED COMPLIANCE DATE**

Upon approval.

**4. DISCUSSION**

a. Conditions leading to the recommendation

Declining State Revenues:

On May 28, 2009, the Council on Revenues revised its forecast downward for an additional reduction of \$637 million in revenues for FY 09, FY 10 and FY 11. According to the Governor, the State now faces a budget gap of \$730 million by June 30, 2011. On June 18, 2009, as part of her solution to address the new shortfall, Governor Lingle announced details of her plan to place all State employees in the Executive Branch on furlough for three days per month. She then issued Executive Order No. 09-02 on June 24, 2009 mandating her furlough plan effective July 1, 2009. All State employees employed by the Department of Education (including HSPLS), the University of Hawaii, and the Hawaii Health Systems Corporations were excluded from both her Executive Order and furlough plans.

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

The Committee and the Board have always approved all 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 finally the health, safety, and security of our patrons and employees in our facilities will be preserved.

e. Arguments against the recommendation

As in past years, our patrons and supporters were strongly opposed to any kind of HSPLS funding cuts or closing of any libraries.

f. Findings and conclusions of the Board committee

Pending Committee action.

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

Department of Accounting and General Services (DAGS) and possibly the Department of Land and Natural Resources (DLNR) may be affected. See k. Facilities.

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

We anticipate negative reaction from the public on the closing of the 5 libraries, decrease in services, and changes in library schedules due to personnel reductions.

i. Educational implication

Closing public libraries, staff reductions, and withdrawing from public & school libraries will have a significant, negative impact on the materials, programs and services available to our patrons.

j. Personnel implications

HSPLS will not be recruiting or filling any vacancies to meet the restricted vacancy savings.

k. Facilities implications

The closing of the 5 public libraries will require coordination with DAGS and DLNR in some cases as well as the physical relocation of our furniture, equipment, books, materials, and staff.

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  
BUDGET DETAILS-EDN-407  
FOR FISCAL YEAR 2010

General Fund		
Exec Memo 09-03 Restrictions	\$2,780,988.00	
Operating Budget Shortfall	\$825,000.00	
Total Deficit	\$3,605,988.00	
Vacancy Savings (67 positions)	\$2,200,000.00	
Personnel Reduction Plan	\$1,301,000.00	
Holualoa Public Library	\$9,100.00	non-personnel costs
Pahala Public/School Library	\$24,800.00	non-personnel costs
Kealahou Public Library	\$28,600.00	non-personnel costs
Ewa Beach Public/School Library	\$22,600.00	non-personnel costs
Hana Public/School Library	\$20,100.00	non-personnel costs
Anticipated Budget Savings	\$3,606,200.00	

**The HSPLS Personnel reduction plan must be negotiated through all affected unions after the Board approval. HSPLS will revise its public service schedule to address these personnel reductions and will submit it to the Board of Education for approval when completed.**

**The closing of the 5 public libraries was determined after an extensive analysis of many critical factors including staff vacancies, low circulation/usage, geographical proximity to neighboring libraries, repair and maintenance costs, rising operating costs, etc. Even though the dollar savings for the closing of these libraries may initially appear very low, since non-vacant positions are not being eliminated at this time, substantial indirect cost savings are being realized from reduced delivery, postage, employee support, shared resources, etc. Actual library closings will probably not occur until the end of this calendar year 2009, but in anticipation of further cuts from the September 2009 Council on Revenue projections, we must start the process now.**

**In our earlier scenarios, we stated that a 20% budget cut would result in possibly 10 to 12 libraries closing. With the 10% cut from Act 162/ SLH 2009 added to this latest reduction of \$2,780,988, we are close to the 20% reduction of our FY 2009 base budget. We have struggled to maintain our public service hours with no new hires, limited student help and temporary hires over this past Fiscal Year. If we were to continue our current public service hours and operations for all 51 libraries, we would run out of funds by the last quarter of FY 2010. Closing any public library has always been an absolute last resort but we were forced to take these unprecedented**

**actions in order to preserve the rest of our system. Please refer to the Attachment B on the determining factors on the 5 public libraries recommended for closure. To maximize operating efficiency and public service, we will continue to analyze, assess, monitor and possibly shift staff at not only the remaining public libraries but also the Hawaii State Library (Main Library) and non-public support sections. As a result, we will be submitting more reorganization proposals to the BOE in the near future.**

# Hawaii State Public Library System Budget Reduction Plan FY 2010-2011

## Purpose/Overview

In response to the Governor's Executive Memorandum no. 09-03 dated June 15, 2009 restricting our FY 2010 budget by \$2,780,988 in addition to the 10% reduction of \$2,981,746 passed in Act 162/SLH 2009, the 51 libraries and support sections of the Hawaii State Public Library System (HSPLS) were systematically reviewed and analyzed for reduction, consolidation and/or closure.

The Governor's Executive Memo no. 08-05 dated August 26, 2008 froze all vacant positions for all State agencies. Currently, HSPLS has 67 vacant positions which we are applying towards our budget reductions as well as recommending a personnel reduction plan for Fiscal Years 2010 and 2011 for all HSPLS employees.

In spite of these drastic measures, we still did not cover the total reductions and restrictions and were forced to examine closing libraries and offices, moving staff from those closed sites to enhance staffing levels at other library facilities while maximizing the remaining resources to offer more and consistent library service hours to the public.

Five (5) libraries have been recommended for closure with plans to assign their current permanent staff to other locations. The five libraries are: Ewa Beach Public & School Library on Oahu; Holualoa, Kealahou and Pahala Public & School Library on the Big Island; Hana Public and School Library on Maui. There is no branch recommended for closure from the island of Kauai, which has the smallest number of libraries among our library districts.

## Consolidation & Closure Process

### Factors in Determining Consolidation and Closure

The factors were originally identified in September 2008, and since then have been reviewed and revised. They include geographic proximity of neighboring library services, circulation, circulation/staff ratio, hours/days of public service, holds requests and staffing stability. While each of the factors was separately applied, the final determinations were based on a Whole System perspective.

We examined the effects on our entire statewide system, how they were integrated within each separate island district, and also how it affected the availability of that particular community/geographical area coverage. Range values were assigned for each factor, and factors were assessed for each branch and ranked in order from highest to lowest.

The six (6) main islands vary considerably in terms of geographic size, populated areas, road and travel conditions, and their public libraries vary in staffing levels, age and condition of the library facilities, and size and scope of collections. For this reason, review and assessment was done by individual island groups. Factors were weighed relative to each island where the libraries are located and to the public library services for the entire island. Ratings were applied for all libraries in each island group. Secondary factors considered in the process were Reference, Internet, Community Programs and other usage categories.

**CONSOLIDATION & CLOSURE FACTORS**  
**HAWAII STATE PUBLIC LIBRARY SYSTEM**  
**PUBLIC LIBRARIES BRANCH**

	<b>FACTOR</b>	<b>RATING</b>
1	Critical/Regional Library Status	Identification of libraries considered to be the "main" branches on each island
2	Geographic Proximity	High to Low Comparison Comparable and/or improved public library services are available within a reasonable distance
3	Circulation Stats	High to Low Comparison
4	Circulation/Staffing Ratio	High to Low Comparison
5	Hours/Days of Public Service	High to Low Comparison
6	Holds Requests	High to Low Comparison
7	Staffing Stability	High to Low Comparison Few to zero current vacancies, and/or a history of little to no difficulties with recruitment & retention; adequate existing staff available for service coverage.

**Geographic Proximity - Availability/Access to Library Services**

Library locations and distances between libraries in close proximity were analyzed and were measured relative to the next closest library, and in distance to the regional library that is considered critical to library services for each island.

### Critical Library Status

Primary or Critical Libraries are those that were considered integral to their respective geographical areas and included branches formerly designated as "Regionals" (headed by a Librarian V) as well as stand-alone sites that are the only public library for that island; e.g., Molokai Public Library and Lanai Public & School Library. These libraries are considered the island or district anchors within the statewide system and they provide back-up resources and support for their neighboring branches in the way of library materials, reference services and staffing. Specialized services provided by The Library for the Blind & Physically Handicapped on the Island of Oahu are required by statute. The eleven (11) critical libraries identified are:

Oahu District: Kaimuki, Kaneohe, Kapolei, Pearl City  
Hawaii State Library, Library for the Blind &  
Physically Handicapped

Kauai District: Lihue

Maui District: Kahului, Lanai Public & School, Molokai

Hawaii Island: Hilo

In determining which libraries to recommend for consolidation and closure, a primary consideration was to assure that adequate public library services were provided in the major populated areas of each island, and that there was balanced geographical coverage on the individual islands within our statewide system.

### Circulation

Circulation measures and tracks the volume of book and library materials borrowed throughout the HSPLS statewide. Circulation statistics were compiled and high to low comparisons were made; patterns of increase or decline were taken into consideration. When applicable, we looked at annualizing statistics to account for long-term closures (such as those for renovations) that might affect circulation numbers for a particular branch. As a statewide system with inter-island transfer of requested materials, the circulation of any library item often entails much more than a simple check-out with a library card. Circulation statistics may also reflect a substantial amount of interdependent behind-the-scenes work involving libraries, library staff and various support offices that make the statewide transport and delivery of library materials happen.

### Circulation/Staffing Ratio

We compared high to low levels to identify staffing imbalances or disproportionate ratios for libraries requiring some kind of personnel or other resource adjustments. These adjustments may result in future consolidation and/or redistribution of site resources, including staff. We will continue to monitor the distribution of those resources and decide how to better utilize them for improved public services within our budgetary constraints. The major objective was to boost and solidify the quality of services, and to offer available library services and resources within reasonable travel distances of several neighborhood communities.

### Hours/Days of Public Service

Maintaining core public services and access to all library resources was the primary emphasis in developing our planned schedule for each of our libraries. "Core Services" include the availability and circulation of library materials such as books, audio-visual and recorded items (e.g., CDs, DVDs, recorded books), e-books, Internet, reference services, statewide inter- and intra-library loans (holds requests), and community programs.

We reviewed the current public service schedules by island, geographic area, and open hours per week, per day, nights and weekends. Range values were assigned and used to assess and rank each library. If closures are implemented, it could allow for increasing the number of public library hours and days at designated sites, and adding more depth to the services provided.

### Holds Requests

One of the most popular and well-used service is our statewide holds requests. This enables library users to place requests from any computer, in the library or at home, and to designate pickup on any of the six main Hawaiian Islands and at any one of our 51 site. Daily request statistics were compiled and reviewed. Over the years, the costs for Holds Requests service has steadily become more expensive for the HSPLS to maintain as postage, transport, automotive maintenance and other costs have continued to increase. However, our Holds Requests service is considered one of the premier features of our system and provides a major benefit to public library patrons of our multi-island state.

### Staffing Stability

The percentage of permanent vacancies helped determined the results for this factor. Range values were assigned and used to assess each library. Additional consideration was given if there was a need to hire temporary workers on a regular basis at a particular branch or the need to close the site due to temporary staffing shortages.

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## Summary

We will be monitoring and tracking the total monetary savings to the HSPLS related to these libraries recommended for closure and/or consolidation. While the initial totals may appear small, they do not include indirect costs such as interisland delivery and postage costs, funding for temporary workers, support from library offices, etc.

For the current FY 2010, there is not enough funding to continue operating all 51 public libraries at their current schedules. We must plan ahead and find ways to remain viable and vital to as many island communities as possible. If money continues to be short, we will be forced to identify additional sites for closure. Keeping all 51 sites open will only result in stretching too-thin resources, as well as a reduction in the number of days and hours offered at some branches. With the current and future funding levels, maintaining the status quo is not an option available to the library system.

At this point, we must proceed with streamlining the number of facilities and consolidating staff numbers in order to sustain quality levels and provide additional hours and services at designated sites. There may be a few less buildings, and in some cases a slightly longer drive to the library, but all of our remaining libraries will be places where communities can gather for their information needs, to explore different cultures, to learn new ideas and celebrate a love for reading and life-long learning.