EDN 407 – Public Libraries

Good afternoon, Chair Sakamoto, Chair Takumi and members of the Senate and House Committees on Education. I am Richard Burns, the newly appointed State Librarian for the Hawaii State Public Library System.

The Hawaii State Public Library System (HSPLS) has submitted its Supplemental 2008-2009 Budget Request that has been approved by the Board of Education (BOE) and included in the Executive Budget Bill. We have no additional requests for our Operating and Capitol Improvement Projects (CIP) Budgets.

We have already submitted all the required details, reports, and forms including our attached Program Plan Narrative for FB 2007-09

We would now like to share our views of the HSPLS' continuing challenges and the progress we have made in recent years. Many of the top priorities remain the same: staff vacancies, service hours, and staff training needs, succession management, and improved IT resources.
HSPLS serves the entire State population -- covering the full spectrum of ages, income levels, educational levels,

reading and computer skills, resources, geographical

locations, and familiarity with library services. Our 51

libraries are situated on six islands. Many of our users

still want traditional collections, more or expanded

facilities, and more public service hours -- which require

additional staffing and operating funds. Our on-going

challenge is trying to serve the needs of a wide range of

users within our current allocations. This requires trying

to find a balance between traditional services and

collections and increasingly virtual resources, which have

the potential of being more cost effective. These online

resources increase access to collections without having to

increase staff. We have expanded our digital collection to

include 60+ authoritative online databases and other

resources in recent years. We have also started an eBook

and digital audio book service, which allows users with an

HSPLS library card to download items at no charge to their

personal computers 24/7 wherever Internet access is

available. The lack of network capacity has made it

difficult to utilize all of these valuable Internet

resources. We will start to address upgrades to our

infrastructure and expansion of our network capacity

through a private consultant working directly with our

Information Technology Section (Electronic Support &

Services Section- ESSS). Through their reports and recommendations, we may need to come back next Legislative session for specific budget requests on these system upgrades.

We are also investigating additional self-service options which are designed to provide library users with greater convenience and privacy while reducing staff workload. Current projects include a self-checkout system being piloted at two libraries; the Kapolei Public Library and the Hilo Public Library and an Internet Scheduling self-reservation and registration system which was installed on public computer stations at all public libraries in 2007.

Our plans to meet these critical challenges are outlined in the HSPLS Strategic Plan: Accomplishments and Plans for the Future and our LSTA Five-Year Plan, 2008-2012, which provide details about how HSPLS is using State, Federal, and grant funds to pursue its goals. These plans serve as useful tools to develop more clearly defined strategies, objectives, and assessment and evaluation measures for HSPLS. These two documents are enclosed for your information. We have always appreciated the legislature's support in the past, and we ask for your continued support as you assess the amount of progress we

have made during the past year and review the changes and

challenges we are undertaking.

Thank you for the opportunity to present this

testimony on our Supplemental 2008-2009 Budget Request.

Program ID: EDN407
Program Structure Level: 07 01 03
Program Title: Public Libraries

A. Statement of Program Objective(s):
   The Hawaii State Public Library System (HSPLS) will maintain, improve and expand collections and services, which provide cost-effective, timely access to information, education, and entertainment. The HSPLS will improve and enrich the intellectual development, personal achievement, and leisure time activities of the public by providing appropriate reading and research resources and by celebrating a love of reading and lifelong learning.

B. Description of Request and Compliance with Section 37-68 (1)(A)(B):

   Waialua Public Library CIP: Reauthorization of $200K for plans, land acquisition, and design of a new public library in Waialua, Hawaii.

C. Description of Activities Performed:
   Core and enhanced services are provided through a system of public libraries.
   1. Planning, developing, and operating integrated library services through 51 public libraries statewide, as well as bookmobile services to outlying communities.
   2. Providing a variety of free services and resources, in print, non-print and electronic formats, in English and other languages, to meet the educational, economic, professional, cultural, and social needs of all segments of our population.
   3. Coordinating and planning statewide programs and projects using innovative updated techniques to reach non-users and to increase the use of libraries and to enhance the image of libraries as a gathering place.
   4. Developing and participating in interlibrary planning and cooperation to promote interagency sharing of resources and expertise.

   .

5. Transcribing library materials for blind school students and the public by the Library for the Blind and Physically Handicapped. Providing services for the blind and physically handicapped; radio reading services, talking books, recording and copying talking book masters, Braille transcription, and reader's advisory services.
6. Providing centralized support for library staff for administrative, human resources, technical services, information technology, and library promotional functions

D. Statement of Key Policies Pursued:
   • Providing Comprehensive Library Services: Act 150, SLH 1981, Relating to public libraries; provides for administrative autonomy for the public library program
   • Administrative Rules for the Hawaii State Public Library System
   • Board of Education's Vision, Mission, and Goals Statements for the Hawaii State Public Library System
   • State Librarian's Strategic Plan
   • HSPLS' Five Year Library Services and Technology Act Plan

E. Identification of Important Program Relationships:
   1. The need to provide State and local libraries with interlibrary services and consultant assistance.
   2. The need for close cooperation with the Department of Education, which includes school libraries and public & school libraries.
   3. The need to work with the University of Hawaii and other academic and school libraries to provide resource materials for student research and recreational reading.
   4. The need to work with state government to facilitate access to government services and functions.

Program ID: EDN407
Program Structure Level: 07 01 03
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F. Description of Major External Trends Affecting the Program:
   Major external trends affecting the public library program are:
   The escalating cost of library materials;
   Increasing cost of library operations;
   Increasing customer expectations;
   Increasing demand for convenient, 24/7 services, including online collections;
   An aging workforce, revolving door vacancies, and the State's low unemployment
   rate.

G. Discussion of Cost, Effectiveness, and Program Size Data:
   The Hawaii State Public Library System's major challenge has been its difficulty
   in filling vacancies compounded by a loss of infrastructure and 111.5 positions in
   the mid-1990s. HSPLS is actively recruiting to fill positions. It has also
   expanded the number and variety of online resources and is investigating new
   self-service options, such as a self checkout system.

H. Discussion of Program Revenue:
   The Special Funds retain all revenue collected from lost books, fines, and
   enhanced program fees.

I. Summary of Analysis Performed:
   HSPLS has continued to provide collections and services to the public without an
   increase in past funding for over a decade. Federal grants have allowed HSPLS to
   pilot new technologies and expand online services. In order to meet increasing
   customer expectations, additional funding will be required to improve network
   speed and capacity and to continue to support crucial digital services, which are
   essential for our operations.

J. Further Considerations:
   None.

HSPLS STRATEGIC PLAN
Accomplishments and Plans for the Future
Jo Ann Schindler
State Librarian
September 26, 2006

The Hawaii State Public Library System (HSPLS) undertook a number of initiatives in FY06. We are using statistical reports and public and staff input to evaluate our operations, to assess the progress we have made, and to make any necessary course corrections in FY07. Many of the top priorities remain the same: staff vacancies, service hours, staff training needs, succession management, and improved IT resources. Nevertheless, with the help and support of the Board of Education, the Legislature, and the Governor and her departments, not to mention our support groups and private donors, I believe that we have made some significant improvements during the past year.

This strategic plan is a work in progress. It begins with the framework of the BOE's vision statement for HSPLS, our mission statement, and my own goals, directions, and strategies for the library system. I am asking our staff for their recommendations about our operations as well -- with an emphasis on concrete, workable suggestions for improvement.

The BOE revised its Mission, Vision, and Goals Statements for the Hawaii State Public Library System on November 17, 2005:

Hawaii State Board of Education
Mission, Vision, and Goals for Hawaii's Public Libraries

Mission

The mission of the Hawaii State Board of Education is to promote excellence and equity in public library services so that all individuals can meet their reading, information, and life-long learning needs.

Vision

Hawaii's public libraries are safe, inviting, resource-rich learning environments engaging the minds and enhancing the lives of all community members.

Goals
The Board of Education, through effective Board leadership, will:
1. Develop policies and strategies to acquire additional resources to expand facilities and materials.

2. Actively provide support services and collections to meet the public's recreational, informational, cultural, and educational needs.
3. Proactively build confidence in the public libraries, establish communication with stakeholders, and build strong partnerships with the community.
4. Ensure that the public library system recruits and retains highly qualified personnel.
5. Adopt policies and advocate for sufficient financial and human resources to ensure that all public libraries are safe and secure learning and working environments.
6. Strengthen the information technology infrastructure to provide convenient online resources and services and streamline labor-intensive operations.
7. Develop demonstration programs and pilot projects to meet diverse and/or emerging needs and improve services and collections.

Priority:

Among the Board of Education's priorities, adopted January 17, 2006, is the following:

Priority: Library Personnel Retention and Recruitment

To support the adoption of effective strategies and practices and obtain the resources necessary to effectively recruit and retain a stable library workforce in the public library system. (Approved 1-17-06)
:

HSPLS Mission Statement

The mission of the Hawaii State Public Library system is to provide Hawaii's residents, in all walks of life, and at each stage of their lives, with access to education, information, programs and services, and to teach and nurture the love of reading and the habit of life-long learning.

As State Librarian, my Vision Statement can be summed up in this phrase: "Connecting Communities with Collections."

My primary goal is to increase access to public library services and collections through innovative and effective methods and technologies.

The future public library model for Hawaii may be very different from what we are familiar with today due to a loss of positions over time, staff vacancies, and the high cost of building, maintaining, operating, and supporting 51+ facilities. Our challenge will be to preserve the best features and strengths of today's public library services and collections as we migrate carefully over time:

- from physical collections to an increasing number and variety of online collections,
- from physical library buildings to more home and community access points,
- from staff-mediated services to more self-service, privacy-enhancing, and personalized options, and
- from requiring customers to come to us to delivering collections and services to people

Here are a number of strategic objectives which we will undertake to achieve greater access for library users:

FUNDING

Funding Objective: Seek additional revenue sources and partnerships and make best use of existing resources.

- General
- Special
- Federal
- E-rate
- Tax Check-off Box: Hawaii taxpayers supported public libraries by donating $54,774 in refunds to the HSPLS Special fund for the period, January 1, 2006 to June 30, 2006.
- Grants, Donors, and Partners
- Gates Staying Connected Grant: $84,000 for a 3-year training program for the years 2005 – 2007.

COLLECTIONS

Collections Objective: Continue to provide traditional book and other physical collections to users and judiciously migrate to digital collections which can be more convenient for remote users and more cost effective in terms of collection management.

- FY04 Special drug abuse prevention and treatment project
- FY04 - FY07 Statewide continuations purchases: core reference
- FY04 - FY07 Central Funds and purchases
- FY04 - FY07 Hot Picks and other High Demand titles
- FY04 - FY07 Online Resources
- FY06 – FY07 e-Books and Digital audio books
- FY06 – FY07 Qikan database of 100 Chinese-language magazines
- FY07 OCLC Foreign Language Sets

Collections Objective: Experiment and expand the collection offerings to reach target groups which are underserved.

- FY04 - FY07 Special Needs projects

Projects have included libraries in communities with a large population of users for whom English is not a first language; or with low literacy levels or test scores; or with high unemployment rates; or senior citizens and others in need of large type books. Libraries whose collections have been lost due to theft, fire, or natural disaster may also apply for funding. In FY07, priority will be given to projects for customers for whom English is not a first language.

Collections Objective: Use statistics and reports to evaluate the collections, assist in collection building, and to improve other operations

- Provided statistical Report Generation training for front line staff by Paola Saibene, ESSS
- Acquired Web Reporter to improve statistical report generation
- Currently generating Titles Never Circulated Report
- Currently generating Request Reports
- Currently generating collection statistics for more accurate library materials counts to meet State inventory requirements
- Have access to real time usage statistics for OverDrive eBooks and digital audio books to assist in collection development by subject specialists

Collections Objective: Establish materials processing standards and investigate commercial availability of pre-processed library materials

Collections Objective: Participate in preserving, indexing, digitizing, and making available significant documents, photographs, and other materials which preserve and celebrate our local history and culture. HSPLS hosted the following training opportunities for academic, special, public, and school libraries, museums, and archives in Hawaii:

- OCLC "Copyright in a Digital Age" workshop (September 27, 2004)
- OCLC Digitization Conference (May 23, 2005)

SERVICES

Service Objective: Restore some public service days and hours in response to customer needs. On May 18, 2003, former State Librarian Virginia Lowell responded to budget cuts and a hiring freeze by establishing a 5-day per week work schedule at most libraries. Exceptions include Holualoa, which is a small, 3-day per week library, and Waimanalo, which petitioned for a 6-day per week schedule with the aid of grant funds. Overall, 197.5 hours were cut and 3.5

hours added for a net reduction of 194 hours per week. A separate chronology library hours documents the on-going restoration of public service hours.

May 18, 2003:
  24 libraries reduced their total public service hours
  3 libraries increased their public service hours
  4 libraries changed public service schedules but the total hours did not change
  19 libraries did not change their public service hours

RESTORATION OF PUBLIC SERVICE HOURS: STATUS REPORT

Year	Hours Reduced	Hours Added	Net Gain/Loss	Total System Service Hours (weekly)
Pre-5/18/03				2,038
5/18/03				1,844
2003	- 205.5	5.5	- 200	1,838
2004	- 7.0	65.0	58	1,896
2005	- 2.0	23.0	21	1,917
2006 (incomplete)	-0.0	21.0	21	1,938
TOTAL	- 214.5	114.5	-100	

Service Objective: Restore and/or develop new outreach facilities and services.

- FY05: HB 138 to restore bookmobile services throughout the State did not survive the 2005 Legislative session
- FY05: Restored Maui bookmobile service with new wireless capability (May 10, 2005)
- FY06 – FY10: Expand bookmobile or other outreach services
- FY06: Working with a team of UH LIS students who are researching and proposing new outreach services as a class project

Service Objective: Provide safe, clean, and well-maintained library facilities.

- Continue to work with DAGS to maintain and repair our facilities
- ADA transition plan deficiencies: statewide ADA and Health and Safety projects
- State's energy efficiency initiatives
- FY06 - 08: Disaster Prevention Planning and Response Plan and Training

Service Objective: Work with individual communities to establish, expand, or renovate public library facilities and to insure that they are adequately staffed, stocked, and funded, and that they utilize best-practice technologies to enhance public services and operations.

- Kapolei Public Library opened (August 16, 2004)

Service Objective: Host programs, including author presentations, library tours, story times, craft programs, class visits, etc., that meet the informational, educational, recreational, and cultural needs of library users.

- FY05 – FY07: implement ALA's Every Child Ready to Read initiative
- FY05 – FY08: fund author programs and other activities which promote and encourage reading and writing.
    - On June 28, 2005, HSPLS partnered with Read to Me International to host noted children's author-illustrator Tomie dePaola at a free program at Hawaii State Library for children, adults, and staff. Mr. dePaola spoke about his favorite books and his career as an author and illustrator for nearly 40 years.
    - Under the able leadership of Hawaii State Library Director Florence Yee, HSPLS has participated in the national "Letters about Literature" program sponsored by the Library of Congress, which encourages students to write a letter to a favorite author.
    - Individual HSPLS libraries have invited local and mainland writers to present author talks and book signings.

Service Objective: Investigate and implement additional library services which will enhance customer satisfaction in response to changing demographics and the social environment:

- FY05: Implemented enriched content for the public access catalog (October 21, 2004)
- FY05 – FY07: Investigate and pilot self-check out service
- FY05 – FY07: Investigate and implement self-renewal services
- FY05 – FY07: Implement Internet Scheduling and Print Management system
- FY06 – FY07: Investigate and pilot e-Reference services
- FY06 – FY07: Monitor emerging vendor agreements with Google and other search engines which will direct web searchers with HSPLS accounts to our public access catalog and subscription databases
- FY07: July 20, 2006: Thomson Gale PowerSearch enabled

STAFFING

Staffing Objective: Fill HSPLS' vacancies expeditiously to continue to maintain front line and support services.

- FY04 – FY10: Determine recruitment priorities and fill existing vacancies.

   As of August 31, 2006, after filling 280 vacancies since April 2003, our initial 70 vacancies stood at 67 out of 583 positions (556.55 FTE). Eighteen of the vacancies are librarian positions. Approximately 36 recruitments are currently in progress. One hundred and thirty five employees have been recruited from outside HSPLS. With the help of DHRD and the UH Library and Information Science program, we are pleased to report that HSPLS has decreased its vacancy count from a high of 135 vacancies in August 2004.

- FY05 – FY07: Investigate needed reorganization, improvements in infrastructure, and the staffing required to accomplish this.
- FY06 – FY07: Initiate and evaluate a pilot project to re-establish Maui district administrative, coordinator, and clerical support staff.
- FY08 – FY10: Seek funding to establish remaining district administrative, coordinator, and clerical positions using the lessons learned from the re-establishment of Maui district infrastructure.
- FY08 – FY10: Seek funding to establish youth specialist positions for libraries without them. Most of these libraries are in smaller, rural libraries on the neighbor islands.

Staffing Objective: Research, develop, and implement ways to attract new employees, retain staff, and address HSPLS' succession management needs.

- Partner with DHRD and the UH library and information science (LIS) program to increase internship and recruitment efforts
- Partner with the military, business schools, and community colleges to promote permanent and temporary job opportunities
- BOE approved HSPLS' recommendation to increase night differential and implement weekend differential pay
- Investigate possible scholarships and/or sabbaticals for HSPLS staff to attend library school
- Promote leadership and professional development by funding national and local conference participation for HSPLS staff
   - FY06: HSPLS funded 11 employees to attend the Hawaii Library Association Conference in Kailua-Kona.
   - FY07: HSPLS will again fund staff to attend the HLA Conference in Honolulu.

- Investigate training opportunities for support staff in partnership with UH LIS and/or community colleges
- Received approval from Governor Lingle on August 18, 2005 to increase the Student Helper hourly rate to no less than the current State minimum wage, effective October 1, 2005. This authorization will also increase to $6.75 when the new State minimum takes effect on January 1, 2006.

Staffing Objective: Provide staff training in accordance with staff and management priorities.

- New Managers orientation program
- Library Managers meetings (bi-monthly), Young Adult and Children's Services meetings (3 x year each)
- On-going office automation training using Gates Foundation and general funds
- Gates Staying Connected grant award of $84,000 for automation training over three years
- Public and School Libraries workshop (July 23, 2004)
- OCLC Copyright Workshop (September 27, 2004)
- OCLC Digitization Conference (May 23, 2005)
- Gwen Fujie presented "Tongue Fu" training for Oahu staff (June 24, 2005) and for all Neighbor Island staff (October 11, 18, and 27, 2005) to improve communications and interpersonal skills. School library colleagues at N. I. public and school libraries were also invited to participate.
- Positive Customer Service Workshop (July 15, 2005)
  - o "Helping a Customer Who Requests Reasonable Accommodation" by Debbie Jackson, Disability and Communication Access Board
  - o "Helping Difficult and/or Abusive Customers" by Dr. Janiece Overland, DOH Adult Mental Health Division
  - o "Strategies for Excellent Customer Service and Happier Work Environments" by Ilona Thompson, Kapiolani Community College, Business Education Unit
- Hawaii State Library subject specialists, Library Development Services staff, and others provide training to their system colleagues on subjects such as online resources and ALA's Every Child Ready to Read program.
- Vendors have provided live and Webcast training especially in the use of online databases and other resources.
- Support offices have been charged with providing training to the field in personnel, fiscal, materials ordering and processing, Horizon operations, email, file archiving, automation trouble shooting and maintenance techniques, data gathering and analysis, etc.
- The Electronic Services Support Section hired a new trainer to provide Horizon and other automation instruction.

Staffing Objective: Empower staff to provide excellent customer service and to resolve customer concerns and complaints at all levels in the organization through a program of training, guidance, and the clarification of goals, policies, and parameters.

- FY05 - FY07: Documentation of policies, guidelines, and procedures by revising existing manuals, making information and forms available in BCL FileShare, formal training, guidance, informal discussion, and sharing of best practices
- FY05: Established a new Problem Resolution process and form whose objective is to resolve customer concerns and complaints fairly, consistently, and promptly at the lowest level possible. HSPLS also has a more informal "My Question, Suggestion or Compliments..." form.
- FY06 – FY07: Develop an orientation packet for new HSPLS employees
- FY06 – FY07: Revision of HSPLS Administrative Rules
- State Librarian: "HSPLS Problem Resolution and Hearings Officers" (Issued January 26, 2005)
- State Librarian: "Fair and Consistent Customer Service Within HSPLS" (Issued March 1, 2005)
- DHRD via HSPLS: "Acceptable Usages of Information Technology Resources" directive (Issued March 2, 2005)
- State Librarian: "HSPLS Computer Equipment, Software, and Network Policies" (Issued April 13, 2005)
- State Librarian: "Special Accommodations for Hurricane Katrina Evacuees" (Issued September 21, 2005)
- State Librarian: "Confidentiality of HSPLS Customer Records" (July 14, 2005 Draft distributed to staff September 26, 2005)
- State Librarian: "Library Card Replacement Clarification" (September 26, 2005)
- State Librarian: "Retention of Damaged Materials" (October 19, 2005; revised November 28, 2005)
- Special Assistant: "Stolen Library Cards or Stolen Library Material" (March 7, 2006)
- State Librarian: "Personal Email Accounts for HSPLS Staff" (March 16, 2006 Revised)

INFORMATION TECHNOLOGY

Information Technology Objective: Develop a long range plan to maintain, upgrade, and expand information technology hardware, software, and networks to improve public services and staff operations and to meet legal requirements and mandates.

- Horizon and Public Access Catalog upgrade
- CIPA compliance

- Spam blocker
- Security measures
- Web Reporter [statistics and reports]
- Technology and Network Plan
- IT Disaster Prevention Planning and Response Plan

Information Technology Objective: Utilize best-practice technologies effectively to improve public services and staff operations.

- Expanded online information resources including e-books and digital audio books. On-going evaluation of these databases and adjustment of the mix of digital resources for the public.
- Implemented enriched content for the public access catalog (October 21, 2004)
- The Hawaii Documents Center, under the capable leadership of Martha Hoverson, is a part of the Hawaii & Pacific Section of the Hawaii State Library. The HDC has made available on the web its Hawaii Documents List of all state and county government publications as well as a separate Public Review List of those documents that are on public review for a specific time period. (January 27, 2005) http://www.hawaii.gov/hidocs/docs/
- Restored Maui bookmobile service with new wireless capability (May 10, 2005)
- Implemented restrictions on Internet games, chat rooms, and MP3 downloads in order to reduce the amount of frame relay bandwidth lost to such activities and to increase security. (August 23, 2005)
- Redesign of the HSPLS web site (September 22, 2005)
- Received approval from the Board of Education and the Department of the Attorney General to write-off 1,016 accounts for deceased borrowers totaling $69,035.63. These accounts were removed from the database in January 2006.
- Completed a purge of inactive borrower accounts that had no outstanding fines, charges, or items on loan. A total of 218,059 accounts were removed. The number of active library card owners stood at 751,431 on February 9, 2006.
- Implement Internet scheduling and print management system
- Continue to work with Dynix and other vendors to resolve problems and improve speed and functionality
  - o FY06: Resolved the problem of a single request appearing on multiple libraries' request lists, which required a huge amount of unnecessary workload
  - o FY06: Working on eliminating unnecessary item types, which can negatively impact system speed
- Investigate and implement self-check out, self renewal, and other self-service options

- Investigate wireless technologies
- Investigate RFID technologies
- Investigate debit cards and e-commerce options
- Investigate the addition of customer photographs for library cards
- Investigate national data comparison and evaluation methodologies

Information Technology Objective: Utilize best-practice technologies effectively to improve staff communications and training.

- Implemented hybrid e-mail system
- Implemented BCL FileShare
- Produce automation manuals for Horizon, PAC, and other functions
- Investigate staff intranet
- Take advantage of IT training opportunities and provide training appropriate for front line staff

COMMUNITY INVOLVEMENT

Community Involvement Objective: Engage community members to use library collections and services

- HSPLS promotional efforts
- HSPLS programs
- HSPLS outreach

Community Involvement Objective: Continue a positive working relationship with the news media to promote HSPLS' services, collections, and programs and to increase public awareness of our challenges and responses. (See Attachments F, G, H, I, J, and K for samples of recent news releases.)

- "3 Public Libraries Back to 6-Day Schedule: The statewide system remains understaffed by almost 25 percent" by Susan Essoyan, Honolulu Star-Bulletin, September 29, 2004
  http://starbulletin.com/2004/09/29/news/story8.html

- Editorial: "Hawaii Must Compete Amid Librarian Shortage, "Honolulu Star-Bulletin, October 1, 2004
  http://starbulletin.com/2004/10/01/editorial/editorials.html#jump

- Letter to the Editor: "Librarian Salaries Even Lower Than Published" by Jo Ann Schindler, Honolulu Star-Bulletin, October 19, 2004
  http://starbulletin.com/2004/10/19/editorial/letters.html

- "Maui Bookmobile Is On the Road Again" by Claudine San Nicolas, <u>Maui News</u>, June 15, 2005 http://www.mauinews.com/story.aspx?id=9714

- "Libraries Host Summer Storytimes," <u>Honolulu Star-Bulletin,</u> June 16, 2005 http://starbulletin.com/print/?fr=/2005/06/16/features/story2.html

- "Boys Will Be Book Lovers If You Help" by Treena Shapiro, <u>Honolulu Advertiser,</u> August 11, 2005
http://www.honoluluadvertiser.com/apps/pbcs.dll/article?AID=/20050811/NEWS07/508110356/1012/NEWS

Community Involvement Objective: Engage community members to provide feedback about library collections and services

- FY04: Customer Survey
- FY04: 2020 Vision: [customer input about libraries of the future]
- HSPLS comment and suggestion forms
- HSPLS problem resolution forms
- Direct customer input
- Public comment via the Board of Education, Governor's Office, Legislature, Congressional delegation, community organizations, Friends of the Library, etc.

Community Involvement Objective: Engage community members to support library collections and services

- Friends of the Library of Hawaii
- Major corporate sponsors and contributors
- Individual donors and sponsors
- Bill and Melinda Gates Foundation
- Partnering

Community Involvement Objective: Engage community members to help plan library collections, services, facilities, and service outlets and distribution methods

- FY04 Customer Survey
- FY04 2020 Vision Project
- Possibility of professional survey and/or focus groups

Hawaii State Public Library System

<u>LSTA Five-Year Plan, 2008-2012</u>

For submission to the
Institute of Museum and Library Services
State Programs
1800 M Street NW, 9th Floor
Washington, DC 20236-5802

Office of the State Librarian
Hawaii State Public Library System
44 Merchant Street
Honolulu, HI 96813
Jo Ann Schindler, State Librarian
June 30, 2007

OVERVIEW

This Five Year Library Services and Technology Act (LSTA) Plan defines the direction and goals which the Hawaii State Public Library System (HSPLS) will adopt to improve our technological resources to better serve our public through its network of 51 public libraries on six islands throughout Hawaii.

Vision Statement:
Connecting Communities with Collections

State Librarian Jo Ann Schindler envisions a library system which constantly strives to improve access to information, research collections, and recreational reading. She seeks to ensure that HSPLS will provide the State's life-long learners of all ages:
- with a resource-rich environment that celebrates life, the human experience, and Hawaii and the world's cultural heritage, and
- with the information resources and research skills and strategies needed to succeed as informed citizens of tomorrow.

Mission Statement

The mission of the Hawaii State Public Library System is to provide Hawaii's residents, in all walks of life, and at each stage of their lives, with access to education, information, programs and services, and to teach and nurture the love of reading and the habit of life-long learning.

Needs Assessment

This document begins with a needs assessment describing our State's physical setting and the challenges which we are now facing in providing library services and collections in a time of on-going fiscal constraints and high vacancy counts.

Hawaii's geography and demographics create demands that are unique and challenging. Hawaii is a small state, 43rd in physical size among the 50. Figures from the 2000 U.S. Census ranked it 42nd in terms of resident population. Although the population is less than that of many major cities, it is an island community with people residing on seven islands. The island of Niihau is privately owned, and there are no HSPLS libraries located there.

Not only are Hawaii's people widely dispersed around the State, they are ethnically and culturally among the most diverse in the world. Beginning with the Polynesians who first settled the islands, new waves of immigrants to Hawaii have come from every corner of the globe. This makes for a rich history and culture, but it also increases the demands placed upon institutions such as libraries. There are practical and sound imperatives to acquire, catalog, and disseminate materials by and about these many nationalities and ethnic groups.

Unlike any other state, Hawaii has a single public library system and a single public school system. There is also one State-funded university and community college system as well as several private academic institutions. There are four county governments, but county libraries

were consolidated into the statewide public library system after statehood in 1959. Only a relatively small number of private schools, private colleges, and special libraries do not rely on the State government for funding.

Historically, this unified structure with a common mission, policies, procedures, and standards resulted in public library service which was remarkably consistent throughout the state. The reduction of 111.5 positions in the mid-1990s and the elimination of district administrative offices and support units has led to inconsistent service delivery, unofficial home-grown policies and practices, and inadequate training, mentoring, and oversight. We are in the process of seeking approval for proposed revisions to our Administrative Rules, which is intended to restore consistent application of policies for statewide services. We are also attempting to re-establish district offices in order to increase staff guidance and administrative responsiveness in resolving, and even preventing, customer service problems.

In recent decades, Hawaii's economic environment has meant fiscal belt-tightening for all State agencies, which are competing for scarce funds from the same funding authority. Because budgets have been so limited for many years, there was no money available for sophisticated studies of library needs in Hawaii.

Even though our State's population is approximately 1.2 million residents, there is a tight-knit community concern and involvement in local issues, including libraries. Members of the public are not shy about expressing their opinions and making their wishes known via letters to the editors, calls to State legislators, the Congressional delegation, and Board of Education members, comments to library personnel, and suggestions to the State Librarian in elevators, on inter-island flights, and via phone calls and emails. The Honolulu daily newspapers and television stations cover the State Legislature in depth, including that body's support of or failure to fund libraries. The media routinely covers library issues and events and are strong proponents of more hours and more services, although not necessarily more funding.

In November 2003, a customer survey was conducted in our then 50 public libraries. The top vote getters for improved library services were more materials, more hours, more programs, and more Internet stations. This came as no surprise to library staff and administrators. Of approximately 4,700 survey participants, 81 percent gave Hawaii's public libraries an "Excellent" or "Good" rating for overall quality of service, with 35% giving libraries an "A" and 46% a "B," despite a decade of stagnant funding.

State Librarian Schindler and library administrators met with library managers, the Board of Education, and support groups such as the Friends of the Library of Hawaii and the Hawaii Library Foundation at the beginning of FY04 and identified the following areas needing improvement:

- **Staffing:** Because of the imposition of another budget cut and hiring freeze on December 30, 2002, former State Librarian Virginia Lowell mandated a one-shift/5-day per week schedule for all libraries. This reduction in hours was unpopular with everyone, including State Librarian Lowell and her administrative team.

As of May 31, 2007, after filling 314 vacancies since April 2003, our initial 70 vacancies stood at 78 out of 583 positions (558.05 FTE). Twenty one of the vacancies are librarian positions. Approximately 53 recruitments are currently in progress. One hundred forty eight employees have been recruited from outside HSPLS. We expect this trend to continue for some time as our workforce ages and our experienced senior staff retire.

High turnover and vacancies have resulted in staff burnout and reduction in services. We are very grateful to staff for restoring about half of the 200 public service hours per week which were lost in 2003, but high turnover will make it difficult to re-establish the remaining hours.

- **Technology Enhancements:** The loss of infrastructure in the mid-1990s impacted library administration and support services, including IT services and functions. Automation impacts almost every public service we offer as well as staff operations. We continue to pursue a two pronged approach to our reduced staffing situation by filling vacancies as expeditiously as possible and by investigating "smart" technologies and methods which can be characterized as self-service, labor-saving, remotely accessible 24/7, fast, efficient, reliable, cost-effective, and easy to use. Online resources, self checkout, and Internet scheduling and print management are some of the technologies we have begun to implement. We continue to pursue additional solutions such as a satisfactory self service renewal system, wireless service, e-reference, an acceptable email holds notification system, separation of staff automation and public Internet traffic, web site and PAC redesign, a staff intranet, and especially improvements in network capacity and speed. We greatly increased the number and variety of subscription databases and other online resources, including eBooks and digital audio books using LSTA funds. Staff and customer surveys conducted for the FY04 and FY05 LSTA State Program Reports have identified great dissatisfaction with network speed, which significantly detracts from staff members' ability to promote and demonstrate our valuable online resources.

- **Training:** The State Librarian and administrative staff held a series of brainstorming sessions about HSPLS' FY04 funding and training priorities at managers meetings in October and November 2003 on the islands of Hawaii, Kauai, Maui, and Oahu. Top training priorities included Horizon, PAC, and EBSCO database training, office automation, Internet-based reference skills, specialized computer and graphics training for technical and library promotions staff, and leadership and supervisory skills. Many of these identified needs involve information technology training. The Gates Foundation has been instrumental in funding technical training for both front line staff and IT support staff. We are testing self-directed and remote training opportunities using web-based systems. A trial WebEx subscription was acquired with LSTA funds.

- **Outreach:** In 2003, reduced funding and staffing negatively impacted public services including the elimination of all but one of our bookmobiles. We researched alternative outreach methods such as depository collections, partnering with community agencies, books by mail, and smaller book/computer vans, as well as restoring traditional bookmobile service for underserved populations and for those communities whose local libraries are undergoing renovations which result in library closures. All of these alternatives required staff resources, which were not available. HSPLS has provided a

Special Needs grant to the Pahala Public & School Library for several years to provide a depository collection for the Oceanview community on the Big Island of Hawaii with State funds.

In April 2004, customers were surveyed and asked to envision what libraries will be like in the year 2020 and to describe desirable future library services. Customer expectations ranged from convenient, 24/7 remote delivery of virtual services at one end of the spectrum to library-as-community-space with comfortable chairs, food and drink, artwork, large updated collections, and a community of like-minded library users.

In order to capture and obtain a better understanding of these rising customer expectations in the future, HSPLS has initiated a subscription to a web-based customer satisfaction survey tool with LSTA funds.

In the Spring of 2007, the State Librarian drafted a list of HSPLS goals and objectives as a first step in response to a request of the Board of Education's Committee on Public Libraries for a five year master plan. This document was shared with administrators and support managers, the entire HSPLS staff, and the Board Committee. Valuable feedback was incorporated into this evolving document. This is a list of identified goals and objectives (minus explanatory detail):

PUBLIC SERVICE:

1. Increase network capacity and speed
2. Restore library hours as vacancies are filled
3. Expand self-service options such as online resources, self checkout, Internet scheduling, self renewal, etc.
4. Implement holds e-mail notification. Overdue notices will continue to be delivered by USPS mail due to the Hawaii Revised Statues requiring printed notice for outstanding obligations.
5. Improve the HSPLS web site, PAC, and other online services as information and promotional tools for a diverse population
   a. Increase the HSPLS web site's functionality and community collaboration potential
   b. Expand implementation of JAWS and Zoomtext to all HSPLS libraries
   c. Explore AquaBrowser and other new PAC innovations
6. Implement e-Reference service
7. Implement wireless service
8. Improve "high touch" customer service. Customers expect to receive skilled, caring and efficient service from all staff if they need help to learn a new self-service option or fix what they consider a glitch. To meet this expectation, we need staff who are available when the need occurs, are trained and knowledgeable to solve the customer's problem, and understand that they are here to help. Cerritos Public Library administrators say they hire new employees based on availability and attitude
9. Maintain and improve library facilities:
   a. by making them more inviting, safe, accessible, and secure
   b. by increasing energy efficiency
   c. by expanding and replacing existing facilities and building new facilities
   d. and by incorporating new services and technologies in the planning and design process

10. Improve collections at the local, regional, and system levels and provide order, fulfillment, and delivery mechanisms to provide desired materials in a timely and cost-effective way

INFRASTRUCTURE AND STAFF OPERATIONS:

1. Finalize Administrative Rules changes
2. Update and document policies, guidelines, and procedures as appropriate
3. Establish district offices
4. Continue to fill vacancies
5. Identify other system staffing needs
6. Continue to provide staff training opportunities
7. Implement succession management planning
8. Implement a staff intranet including a mechanism for collaborative "discussion" across the system
9. Improve physical delivery operations
10. Review collection development policies, procedures, and practices, including both physical and online collections
11. Review ordering, cataloging, and processing practices
12. Improve standards, resource allocation, and evaluation methods and tools
13. Investigate new developments in online catalog and library automation options
14. Review the role and effectiveness of programs, outreach efforts, and publications in promoting library collections and services
15. Disaster response planning including providing for the safety of customers and staff and the security and preservation of facilities, collections, and furnishings

The challenges which we face in the areas of funding, staffing, succession management, technological resources, training, and outreach services are inter-related and complex. Each problem provides an opportunity to re-examine the challenge in a new way and to investigate new methods and technologies to address our service deficiencies.

Hawaii's libraries need to address a major shift in customer expectations including users' familiarity with sophisticated technologies and service practices of web-based companies. Consumers of both commercial and government services expect service which is characterized as fast, smart, easy to use, efficient, cost effective, convenient, and personalized and which reaches a satisfactory conclusion.

This will not be easy with continuing staff shortages and the high cost of building, maintaining, operating, and supporting 51+ facilities. Our challenge will be to preserve the best features and strengths of today's public library services and collections as HSPLS addresses the following needs based on a variety of customer and staff surveys and other needs assessments:

Based on these identified needs, many of which are the continuation or outgrowth of our FY 2003 – 2007 LSTA activities, HSPLS' current goals maintain their close alignment with the six basic LSTA goals. The Hawaii State Public Library System will work toward these goals during the 2008 – 2012 time period.

GOALS

Need #1: Upgrade the current inadequate network to achieve a fast, reliable, and secure system.

Summary Needs Assessment: The following negative comments about satisfaction with online databases and other resources were submitted by reference staff for the recently completed Five Year LSTA Evaluation:

Staff identified barriers to usage and satisfaction. The most often mentioned was network speed:

- "Although the databases are easy to use and authoritative the time required to access them in the library can be painfully and embarrassingly slow, when demonstrating them to a patron."
- "Too slow, too many clicks to get desired articles."
- "The on line data bases are often difficult to use because the system is so slow during the busiest times of day. It is difficult to get students to use the data bases when google is so much faster."
- "I think that LSTA is wasting money on HSPLS because the library system's administration of the online databases is very poor. Administration continues to purchase and promote online databases although the majority of reference staff cannot demonstrate..."

Electronic Services Support Section (ESSS) staff have determined that the frame relay bandwidth at the library level is inadequate for 39 out of the 51 libraries in the Hawaii State Public Library System (HSPLS). Only twelve libraries currently have either adequate or more than adequate levels of bandwidth at the local end, due to implementation of Packetshaper or upgrades from 256Kbps frame relays to T1 frame relays.

The implementation of Packetshaper at the library end is an attempt to provide more bandwidth in an economical manner. This has allowed us to increase apparent library bandwidth threefold, from 256Kbps to 768Kbps

A recommendation of the best mix of Packetshaper and/or replacement of existing 256Kbps frame relays with T1 frame relays, and/or other alternative for maximizing bandwidth at the library level is needed.

In computer systems, changes in one area affect other areas. Thus, increasing the bandwidth at the library level affects the bandwidth requirement on the ISP (Internet Service Provider) access end, and requires accordingly an *increased* capacity/bandwidth at the ISP access end. This will need to be assessed and a best recommendation to address the balance of bandwidths at both ends made.

Likewise, network switches and routers affect system performance and speed, and must be optimally configured to provide efficient and effective throughput of data.

Available bandwidth, or the lack thereof, plays a significant role in the level of system speed and, thus, to a large extent, "increasing" that bandwidth becomes a major part of the solution. Guidelines from SirsiDynix, the vendor for our ILS (Integrated Library System), regarding optimal

bandwidth availability, support this conclusion (See Dynix chart below. The chart shows best Horizon bandwidth-to-computer ratios and the interaction/response time achieved.)

Number of Users (Read as "Number of computers")	2	5	25	45	70	95	120
Bandwidth (kb)	128	256	512	768	1024	1280	1536
Avg Response time (sec)	4.29	2.84	3.03	3.18	2.83	3.07	2.85

The chart only assesses the bandwidth requirements for *best operation of the ILS.* It does not include the additional load of Internet access. Internet access changes the equation. The bandwidth demand of the Internet must be accommodated either by reducing the number of computers, or increasing the available bandwidth. A best recommendation is needed for bandwidth-to-computer ratio needed for the optimal utilization of both the ILS and the Internet.

HSPLS Goal #1: Improve current telecommunications system to adequately support ILS operations and access to online databases and other online resources in library facilities.

LSTA Purpose:
- Developing library services that provide all users access to information through local, state, regional, national, and international electronic networks.
- Providing electronic and other linkages among and between all types of libraries.

Key Output Targets: One of the major program activities will be to contract with a network consultant who will analyze our current network and make recommendations for system improvement, which would include enhancement of existing bandwidths at the library level, enhancement of bandwidth access to the system's ISP (Internet Service Provider), and the optimization of switch and router configurations.

A consultant would advise as to the best mix of Packetshaper and/or larger frame relays for our system and/or other means of improving system speed. The consultant will also assess current switch and router configurations for optimal throughput of data

Baseline readings will be taken, and desired targets determined. The baseline readings will be compared to final results. Since the proposed outcomes will be largely subjective, actual system speed increases will be compared with perceived changes.

Key Outcome Targets: Staff will be surveyed for their baseline and final satisfaction assessment of network capacity and speed for 1) ILS operations and 2) accessing online database and other resources. At least 75% of the staff will report improvement in network speed for both categories. At least 80% of the staff will report satisfaction with network speed.

Program: Use LSTA funds to test potential solutions and provide interim relief to libraries which are most negatively impacted by slow response time and to contract for a network consultant.

Results of the network analysis will be used to create and justify a proposal for State funding in future legislative sessions.
1. Install PacketShaper
2. Connect to the State's iNet system
3. Connect to Oceanic cable service
4. Separate staff and public network transactions
5. Upgrade lines as needed
6. Test replacement of older public Internet computers in one library to determine whether this will improve overall speed, especially Horizon response time, for that library
7. Contract with a network consultant to assess our current network and provide recommendations for improvement prior to the 2008 legislative session

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Need #2: Develop and maintain an appropriate array of databases and other online resources to address reduced public service hours, supplement physical library collections, and provide 24/7 virtual collections to anyone with an HSPLS library card and Internet access.

Summary Needs Assessment: We conducted a number of staff and customer surveys in conjunction with the 2004, 2005, and 2006 annual State Program Reports and 5-Year Evaluation. Although our OBE goals focus on the customer, we believe that customers' knowledge of and satisfaction with new virtual resources are highly dependent on staff's familiarity, enthusiasm for, and promotion of the resources. We concentrated on involving staff in reviewing the resources and becoming more knowledgeable about these databases through training and use.

These outcomes were developed for the 2003 - 2007 "Hawaii Virtual Library Collections" project and these were the results of the customer and reference staff surveys conducted in February and March 2007:

Outcome 1: At the end of this 5-Year LSTA period, 100% of our reference service staff will know how to access our collection of online resources, can easily identify appropriate resources for subject searches, and can instruct a customer to use these databases.

Do you know how to access our collection of online resources?

Reference Staff Survey	Hard Copy	Online	Total	%
1 YES	16	107	123	98.4%
1 NO	0	2	2	1.6%
			125	100.0%

Are you able to easily identify appropriate online resources for subject searches?

Reference Staff Survey	Hard Copy	Online	Total	%
2 YES	15	97	112	88.9%
2 NO	1	13	14	11.1%
			126	100.0%

Have you instructed customers to use these databases?

Reference Staff Survey	Hard Copy	Online	Total	%
3 YES	17	103	120	94.5%
3 NO	0	7	7	5.5%
			127	100.0%

This outcome was not met in the 2003 - 2007 reporting period. It was surprising and disappointing that 100% of our staff did not state that they knew how to access the online resources since these are among the first links on the HSPLS web site and are part of the PAC. It is possible that these reference staff may have just come on board on the day of the survey. Some may have been cautious about the word "easily" in the second question. It is good to see that 94% reported that they provided instructions about how to use the online resources to library users.

Outcome 2: At the end of this 5-Year LSTA period, 70% of our reference service staff will report high satisfaction with the collection of online resources in terms of ease of use, authoritativeness, and ability to complement physical collections in meeting their customers' reference and reading needs.

How satisfied are you with HSPLS' collection of online resources in terms of ease of use?

Reference Staff Survey	Hard Copy	Online	Total	%
4 Very Satisfied	4	28	32	25.2%
4 Somewhat Satisfied	12	58	70	55.1%
4 Somewhat Dissatisfied	1	18	19	15.0%
4 Very Dissatisfied	0	3	3	2.4%
4 Don't Use Them	0	3	3	2.4%
4 Don't Know How	0	0	0	0.0%
			127	100.0%

How satisfied are you with HSPLS' collection of online resources in terms of authoritativeness?

Reference Staff Survey	Hard Copy	Online	Total	%
5 Very Satisfied	7	61	68	54.0%
5 Somewhat Satisfied	8	41	49	38.9%
5 Somewhat Dissatisfied	1	1	2	1.6%
5 Very Dissatisfied	0	1	1	0.8%
5 Don't Use Them	0	3	3	2.4%
5 Don't Know How	0	3	3	2.4%
			126	100.0%

How appropriate is the HSPLS' collection of online resources in terms of their ability to complement physical collections in meeting customers' reference and reading needs?

Reference Staff Survey	Hard Copy	Online	Total	%
6 Very Appropriate	5	63	68	55.3%
6 Somewhat Appropriate	8	34	42	34.1%
6 Somewhat Inappropriate	2	7	9	7.3%
6 Very Inappropriate	0	1	1	0.8%
6 Don't Use Them	0	3	3	2.4%
6 Don't Know How	0	0	0	0.0%
			123	100.0%

This outcome was not met in the 2003 - 2007 reporting period at the level of "high" satisfaction or appropriateness at the 70% level. However, over 70% of reference staff reported either "Somewhat Satisfied" or "Very Satisfied" for the online resources' ease of use, authoritativeness, and ability to complement physical collections.

Outcome 3: At the end of this 5-Year LSTA period, 25% of registered library users will be familiar with one or more of our online resources, will be able to locate and access the resources, and will be able to search and obtain information of interest to them.

Are you familiar with one or more of our online resources?

Library User Survey	Hard Copy	Online	Total	%
1 YES	471	687	1,158	85.5%
1 NO	107	90	197	14.5%
			1,355	100.0%

Are you able to locate and access these online resources?

Library User Survey	Hard Copy	Online	Total	%
2 YES	464	682	1,146	86.4%
2 NO	90	90	180	13.6%
			1,326	100.0%

Are you able to search for and obtain information using these online resources?

Library User Survey	Hard Copy	Online	Total	%
3 YES	456	680	1,136	87.0%
3 NO	88	81	169	13.0%
			1,305	100.0%

Despite not meeting our outcome goals for reference staff usage and satisfaction, we were pleasantly surprised to learn that these related outcome goals for customers surpassed expectations. Respondents did self-select themselves and those who completed the surveys

were interested enough to do so. There also appeared to be some confusion about the term "online resources." Some customers appeared to be evaluating the entire automated system including PAC, online services including reserves, renewals, and email notification, and the HSPLS web site as well as subscription databases.

Outcome 4: At the end of this 5-Year LSTA period, 25% of registered library users will report high satisfaction with the collection of online resources in terms of ease of use, convenience, and appropriateness for their information and reading interests.

How satisfied are you with HSPLS' collection of online resources in terms of ease of use?

Library User Survey	Hard Copy	Online	Total	%
4 Very Satisfied	253	267	520	38.0%
4 Somewhat Satisfied	163	340	503	36.8%
4 Somewhat Dissatisfied	27	79	106	7.8%
4 Very Dissatisfied	5	41	46	3.4%
4 Don't Use Them	75	41	116	8.5%
4 Don't Know How	42	34	76	5.6%
			1,367	100.0%

How satisfied are you with HSPLS' collection of online resources in terms of convenience?

Library User Survey	Hard Copy	Online	Total	%
5 Very Satisfied	248	297	545	40.4%
5 Somewhat Satisfied	162	311	473	35.0%
5 Somewhat Dissatisfied	20	70	90	6.7%
5 Very Dissatisfied	7	41	48	3.6%
5 Don't Use Them	80	35	115	8.5%
5 Don't Know How	40	39	79	5.9%
			1,350	100.0%

How appropriate is the HSPLS' collection of online resources for your information and reading interests?

Library User Survey	Hard Copy	Online	Total	%
6 Very Appropriate	282	320	602	44.1%
6 Somewhat Appropriate	148	326	474	34.8%
6 Somewhat Inappropriate	12	47	59	4.3%
6 Very Inappropriate	4	31	35	2.6%
6 Don't Use Them	76	40	116	8.5%
6 Don't Know How	37	41	78	5.7%
			1,364	100.0%

Similarly, HSPLS exceeded the library user outcome goals of 25% high satisfaction in terms of ease of use, convenience, and appropriateness for the individual's information and reading interests.

- Many of the reference staff's negative comments were not about the quality of the online collections per se, but about slow system speed which detracted from the usefulness of these resources. Other comments had to do with the design and layout of the database listings, including unhappiness with the term "Other Databases," and sometimes conflicting requests for less information and more information about individual resources. Some mentioned the number of clicks required to get to the desired information and customers' preference for Google's speed and ease of use. Some staff identified gaps in the online collections. Others mentioned an overwhelming number of databases. It is possible that some of the concern about "too many databases" and "too scholarly" may be the result of the EBSCO package purchased by the Hawaii Library Consortium, which is composed of academic, public, school, and special libraries. HSPLS staff have had the opportunity to review potential subscriptions, attend live presentations and webcasts, and provide input about databases to which HSPLS subscribes separately in addition to the Consortium's collection. There are requests for centralized promotional efforts: "We have some great databases available. We don't market them enough to the public (widely market in-terms of outside of the library publicity - TV PSA's, outreach to high school students, etc.)."

Positive staff comments include:
- "Webfeat makes it work! I was much less satisfied and found the databases harder to use before Webfeat was introduced."
- "These on-line databases have greatly improved how we do business in libraries as far as complementing our physical collections, esp. for smaller libraries. It also gives us the ability to empower our customers to do searching from home which is a big asset."
- "Online resources are wonderful for small branches that have little money to spend on expensive reference materials. We are able to get at the same information as larger branches in terms of access to full-text magazine articles..."

Customers shared some enthusiastic kudos about the online system ["Love it, use it all the time"], our staff ["Very courteous, very helpful, very knowledgeable, can't manage without them"], non-automation complaints ["Any suggestions? Better hours. You are closed too often"], and need for additional training ["I would really like to <u>know how</u> to use the online database"].

HSPLS Goal #2: Develop and promote an appropriate collection of databases and other online resources which complement and supplement physical library collections, especially for small branch libraries, and provide 24/7 virtual collections to anyone with an HSPLS library card and Internet access

LSTA Purpose:
- Expanding services for learning and access to information and educational resources in a variety of formats, in all types of libraries, for individuals of all ages
- Developing library services that provide all users access to information through local, state, regional, national, and international electronic networks.

- Targeting library services to individuals of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills.
- Targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line as defined by the Office of Management and Budget and revised annually in accordance with 42 USC Sec. 9902 (2) applicable to a family of the size involved.

Key Output Targets: The subject sections at the Hawaii State Library will provide annually at least two presentations about online resources for system colleagues and five presentations or other outreach efforts for users, including students and teachers and community groups. Each public library will provide at least five presentations or other outreach efforts for users, including students and teachers and community groups.

Key Outcome Targets: We will continue to use the same outcome measures as those established during the 2003 – 2007 period. The targets will remain the same for the staff outcomes, since we did not achieve them is the last 5-Year period. We have increased the customer outcome targets, although some users seemed to be evaluating a number of library services and collections unrelated to subscription databases and other online resources. We will modify future survey templates to clarify the feedback desired.

1. At the end of this 2008 - 2012 LSTA period, 100% of our reference service staff will know how to access our collection of online resources, can easily identify appropriate resources for subject searches, and can instruct a customer to use these databases.
2. At the end of this 2008 - 2012 LSTA period, 70% of our reference service staff will report high satisfaction with the collection of online resources in terms of ease of use, authoritativeness, and ability to complement physical collections in meeting their customers' reference and reading needs.
3. At the end of this 2008 - 2012 LSTA period, 90% of registered library users will be familiar with one or more of our online resources, will be able to locate and access the resources, and will be able to search and obtain information of interest to them.
4. At the end of this 5-Year LSTA period, 45% of registered library users will report high satisfaction with the collection of online resources in terms of ease of use, convenience, and appropriateness for their information and reading interests.

Program: Continue to develop a virtual collection appropriate for the State's public library users and to increase their visibility and accessibility. Utilize a customer satisfaction survey tool to elicit more specific customer feedback about the virtual collections and modify the resources, user interface, and promotional and training components appropriately.

1. Continue to build and modify the HSPLS collection of online resources based on staff assessments, recommendations, and user satisfaction
2. Continue to add MARC records to the HSPLS database for greater visibility and access to these e-titles
3. Expand the coverage of the federated search engine to increase access to all of our electronic resources
4. Redesign the database page of the HSPLS website to improve user accessibility.

5. Continue a program of staff training in the use of HSPLS databases and other online resources.
6. Continue and expand a program of publicizing and promoting HSPLS databases and other online resources centrally.
7. Continue and expand a program of publicizing and promoting HSPLS databases and other online resources at the local library level by providing orientations and demonstrations for students, teachers, parents, and community organizations.

Need #3: HSPLS continues to contend with revolving door vacancies and reduced staffing as a result of baby boomer demographics. This has aggravated a work environment already negatively impacted by the loss of 111.5 positions in the mid-1990s, which reduced or eliminated administrative and support offices and staff. HSPLS will continue a two-pronged approach to fill vacancies and to expand self-service options to address short staffing conditions and to improve services.

Summary Needs Assessment: As of May 31, 2007, after filling 314 vacancies since April 2003, our initial 70 vacancies stood at 78 out of 583 positions (558.05 FTE). HSPLS has decreased its vacancy count from a high of 135 vacancies in August 2004.

VACANCY REPORT

August 30, 2004	135	January 31, 2006	88
September 30, 2004	135	February 28, 2006	85
October 31, 2004	133	March 31, 2006	77
November 30, 2004	129	April 30, 2006	74
December 31, 2004	130	May 31, 2006	69
January 31, 2005	128	June 30, 2006	68
February 28, 2005	126	July 31, 2006	72
March 31, 2005	125	August 31, 2006	67
April 30, 2005	114	September 30, 2006	68
May 31, 2005	103	October 31, 2006	69
June 30, 2005	94	November 30, 2006	73
July 31, 2005	93	December 31, 2006	77
August 31, 2005	92	January 31, 2007	77
September 30, 2005	89	February 28, 2007	73
October 31, 2005	88	March 31, 2007	74
November 30, 2005	82	April 30, 2007	76
December 31, 2005	88	May 31, 2007	78

HSPLS Goal #3: Continue to expand self-service, privacy-enhancing, and personalized service options to address short staffing and revolving door vacancies, improve services, empower users, and free staff from routine duties and focus on enhanced and more complex customer services.

LSTA Purpose:
- Developing library services that provide all users access to information through local, state, regional, national, and international electronic networks.
- Providing electronic and other linkages among and between all types of libraries.
- Developing public and private partnerships with other agencies and community-based organizations.
- Targeting library services to individuals of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills.
- Targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line as defined by the Office of Management and Budget and revised annually in accordance with 42 USC Sec. 9902 (2) applicable to a family of the size involved.

Key Output Targets: Create demonstration projects and implement self-service technologies as appropriate and as funding permits
1. Complete the installation of an Internet scheduling and print management system and train staff in all HSPLS libraries
2. Increase the number of self checkout stations in public libraries by a minimum of four annually
3. Increase the number of libraries with screen magnification and speech synthesizer programs by a minimum of ten annually

Key Outcome Targets: Customers will be surveyed for their baseline and final familiarity and satisfaction with self-service options. At least 50% of users will report familiarity with self-service options. At least 75% of knowledgeable users will report satisfaction with self-service options.

Program: Implement and expand appropriate technologies which are self-service, privacy-enhancing, and personalized service options
1. Install an Internet scheduling and print management system and train staff in all HSPLS libraries
2. Increase the number of self checkout stations in public libraries
3. Implement a user-friendly self-renewal system with appropriate feedback if materials cannot be renewed
4. Increase the number of libraries with screen magnification and speech synthesizer programs installed and staff trained to enable visually disabled persons to use Internet computers within public libraries
5. Implement e-reference service
6. Re-design and improve the web site so that users can easily obtain information about and access to library services and collections both internal and external to HSPLS
7. Investigate wireless options
8. Investigate e-commerce options for payment of fines, fees, and charges

Need #4: Improve collection development, ILS, and delivery services to fulfill materials requested by customers in a timely and user-friendly way.

Summary Needs Assessment: HSPLS provides an extremely popular service which allows customers to place reserves on desired material using a self-service module in PAC. Between January – May 2007, 348,486 requests were placed for materials. This has resulted in a monthly average of 69,697 requests for the 5-month period. Customers designate the public library for pick up, and materials are delivered there when available at no extra charge. This is a critical service for our 51-facility public library system, which has always allowed customers to borrow and return material at any of our branches. Nevertheless, the convenience of this excellent service has workload implications for front line library staff and delivery staff as well as cost implications for holds notice printing, postage, and delivery operations. Our current ILS is not designed to maximize request fulfillment capability and speed and minimize unnecessary movement of desired materials between libraries and islands. No one has access to the desired items while they are in transit.

HSPLS Goal #4: Deliver desired materials to customers in a timely, efficient, and user-friendly way.

LSTA Purpose:
- Expanding services for learning and access to information and educational resources in a variety of formats, in all types of libraries, for individuals of all ages.
- Developing library services that provide all users access to information through local, state, regional, national, and international electronic networks.
- Targeting library services to individuals of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills.

Key Output Targets: Once established, district administrative offices will research and submit at least one proposal to improve collections and improve physical delivery operations in their service area and systemwide.

Key Outcome Targets: District administrative staff will work closely with front line library staff, IT staff, and delivery staff in designing a library service delivery model in their service areas. When implemented, staff and customers will be surveyed for their satisfaction with the demonstration projects and their suggestions for improvements. The outcome targets will be at the 75% improvement level and 75% satisfaction level.

Program: Implement a multi-pronged approach to improve the speed and quality of fulfilling customer requests for materials.
1. Improve collections at the local, regional, and system levels including copy strength.
2. Improve order, fulfillment, and delivery mechanisms to provide desired materials in a timely and cost-effective way
3. Procure an ILS feedback system which will provide information about outstanding requests, copy strength, wait times, and purchase alerts.
4. Procure an ILS holds system which will maximize request fulfillment capability and speed and minimize unnecessary movement of desired materials between libraries and islands

5. Procure a user-friendly email holds notification system which does not require staff intervention in order for the user to register.
6. Investigate, expand, and possibly re-design systemwide delivery operations including alternative commercial services.
7. Investigate the appropriateness and feasibility of alternative library practices such as:
   a. self-service holds pick up to reduce front line staff workload, and
   b. " floating collections" to minimize transit time and reduce delivery workload.

Need #5: New communities and diverse populations are expanding, and many of these are unserved or underserved in terms of library services.

Summary Needs Assessment: Residents and elected representatives from individual communities have requested library renovations, expanded facilities, replacement buildings, and new facilities. One community has requested restoration of bookmobile service, which would require a vehicle, staff, collection, operating costs, and administrative oversight. The need for library services and collections are especially critical in isolated unserved or underserved areas. The funding, planning, and construction of new, replacement, or expanded libraries are an expensive and long term challenge, and we already have several projects in various stages of planning and construction. We continue to be challenged by growing communities which are underserved and which do not have a capital improvement project in the works. We have done preliminary investigation of a number of outreach options including bookmobiles, books by mail, and the installation of PAC computers, deposit collections, and pick up areas in partnership with neighborhood agencies and have funded a pilot depository collection project on the Big Island of Hawaii with State funds. All of these are costly and require staffing, our most severe system deficiency. Digital collections are a cost-effective way to provide a wide range of in-depth resources, which would be beyond the financial means and shelving capacity of a small branch library or even the State Library, to remote users 24/7. At this time however, many members of the public are still firmly committed to the traditional vision of library-as-community-center with physical collections and helpful and knowledgeable staff. Virtual collections can greatly supplement, but probably would not serve as desirable substitutions, for many potential library users in unserved or underserved communities.

HSPLS Goal #5: Provide library services and collections to unserved and underserved communities and diverse populations. Provide access to services for persons with Limited English Proficiency (LEP).

LSTA Purpose:
- Expanding services for learning and access to information and educational resources in a variety of formats, in all types of libraries, for individuals of all ages.
- Developing library services that provide all users access to information through local, state, regional, national, and international electronic networks.
- Providing electronic and other linkages among and between all types of libraries.
- Developing public and private partnerships with other agencies and community-based organizations.

- Targeting library services to individuals of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills.
- Targeting library and information services to persons having difficult using a library and to underserved urban and rural communities, including children (from birth through age 17) from families with incomes below the poverty line as defined by the Office of Management and Budget and revised annually in accordance with 42 USC Sec. 9902 (2) applicable to a family of the size involved.

Key Output Targets:
1. Once established, district administrative offices will research and propose at least one demonstration project to meet the library needs of an unserved or underserved community within its service area.
2. District offices will implement and monitor a plan to provide interpretation services for LEP customers who need them to access library services. Libraries will determine how many customers need interpretation services for which languages at which locations.
3. HSPLS will obtain expert and accurate translation for at least the following documents in the mandated languages: a) the library card application form and b) the problem resolution form.

Key Outcome Targets: District administrative staff will work with community organizations in designing a library service delivery model in the unserved or underserved community. When implemented, customers will be surveyed about their satisfaction with the demonstration projects and their suggestions for improvements. The outcome target will be at the 75% satisfaction level, with the understanding that these pilot projects are alternatives to a full-service public library.

Program: Long-term stagnant budgets, loss of positions, and continuing staffing shortages have made it a challenge to maintain our existing libraries. Rising public expectations and a healthier economy have resulted in an unprecedented number of new, replacement, and expansion projects for our decimated administrative staff to bring to completion. Outreach efforts have fallen victim to the reduced administrative infrastructure and budget restrictions. The program will require the re-establishment of our lost infrastructure with State funding as a necessary step to support the creation and monitoring of pilot outreach projects to serve communities without library services.
1. Re-establish district offices using existing positions
2. Seek the creation and funding of collections and programs facilitator positions for the district offices. These staff positions will be responsible for outreach efforts to serve unserved and underserved communities within the districts.
3. Investigate appropriate options to deliver library services in the target communities.
4. Establish and evaluate demonstration projects to identify costs, best practices, and effectiveness.
5. Implement the provisions of the HSPLS Limited English Proficiency plan, when approved by the State coordinator, to LEP users so that they can use public library services.

Need #6: .HSPLS needs to implement smart tools and technologies and train employees in their use to address short staffing, workload challenges, and a workplace environment which is becoming increasingly complex and technologically oriented.

Summary Needs Assessment: HSPLS is coping with reduced staffing and loss of administrative and support infrastructure while facing an environment of technological change and rising expectations for both our customers as well as our employees. We need to identify and acquire appropriate tools to help us perform our work more effectively, to access and share organizational information easily and quickly among staff, and to encourage and facilitate greater participation in designing solutions to solve our common problems and to reach our common goals. This includes an ILS which meets our customer and staff needs. Using 2003 – 2007 LSTA funding, HSPLS has acquired some tools such as webcast software, intranet development tools, and statistical compilation and customer satisfaction survey systems. We have just begun using these tools. In addition, we have used Bill and Melinda Gates Foundation funds to provide training for Office automation functions, for the use of Internet scheduling and print management software, for increase specialized IT skills, and for workshops about emerging technology trends presented by OCLC, Hawaii Library Association, and Computers in Libraries. We are now more aware of additional possibilities and are working to procure software and hardware and implement appropriate solutions.

HSPLS Goal #6: Implement a staff intranet and other staff productivity tools to optimize limited staff resources in order to provide public library services and collections in an efficient, effective, and fiscally sound manner.

LSTA Purpose:
- Developing library services that provide all users access to information through local, state, regional, national, and international electronic networks.
- Providing electronic and other linkages among and between all types of libraries.

Key Output Targets: HSPLS will keep track of the number and kinds of webcasts utilizing new software; the number and kinds of applications utilizing statistical consolidation software; and the number of customer surveys conducted and number of participants.

Key Outcome Targets: Staff will be surveyed about their satisfaction with each of the systems implemented. Incorporating participant feedback, we anticipate increases in satisfaction over time and at least a 75% satisfaction rating by the end of the program period.

Program: Research, install, and test productivity tools and identify best practices
1. Fund the procurement, maintenance, and/or upgrading of a statewide ILS system and associated hardware, software, and network components to address HSPLS' statewide library registration, circulation, and request requirements. This system also serves as the backbone for subscription databases, other online resources, and third party enhancements.
2. Implement a staff intranet system
3. Implement a webcast system to provide training and conduct meetings for staff in different libraries/offices and islands

4. Implement statistical consolidation software to assist in allocating resources, evaluating performance, and reporting on program results
5. Implement customer satisfaction software to create an immediate and formal feedback mechanism to be use to improve services and collections for the public

SUMMARY OF PLANNING AND IMPLEMENTATION PROCEDURES

The following summarizes the stakeholder involvement, communication, and monitoring activities which HSPLS has undertaken to develop, refine, finalize, and implement its 2008 – 2012 Five Year LSTA Plan.

Stakeholder Involvement:

Because HSPLS is a statewide public library system, its stakeholders theoretically include everyone in the State, visitors, and even former residents who still hold HSPLS library cards. Here is a list of stakeholders, which is by no means comprehensive:

- Hawaii's library users with their infinite variety of reading and research interests
- Hawaii's library non-users
- Military personnel and their dependents stationed in Hawaii
- College students and other former Hawaii residents who are temporarily relocated but still eligible for remote services such as access to online resources with an HSPLS library card
- Visitors to Hawaii
- "Snowbirds" with second homes/timeshares in Hawaii
- External (non-Hawaii) users who are interested in information about the State as well as its historical and current role in national and international affairs
- HSPLS staff members
- Board of Education members, who appoint and evaluate the State Librarian and who set policies and provide direction for HSPLS
- The Governor and her executive departments
- The Hawaii State Legislature
- The Hawaii Congressional Delegation
- The statewide Friends of the Library of Hawaii and local Friends groups for individual libraries
- Corporate and individual sponsors, donors, and support groups
- The Hawaii Library Consortium
- The Hawaii Library Association
- University of Hawaii Library Council
- University of Hawaii Library and Information Science Advisory Council
- The Big Read Hawaii steering committee and partners
- Individual libraries, museums, archives, and educational institutions which share similar goals and face similar challenges in terms of limited funding and resources, collection development, research value, and reading and literacy objectives
- Education, government, community, business, and military organizations and agencies with whom we have and will partner to achieve common goals of information resource

sharing and community enrichment. Partners have included the U.S. Department of State's passport service; the National Aeronautics and Space Administration (NASA); the American Library Association; the Library of Congress' Center for the Book; the Smithsonian Museums; the Hawaii State Department of Education; the Hawaii State Department of Human Resources Development; the Hawaii State Department of Taxation; the Hawaii State Legislature's Public Access Room; the Hawaii State Art Museum; the University of Hawaii at Manoa's (UHM) Library and Information Science program; UHM's Institute for Astronomy; the Hawaii Medical Library and its Consumer Health Information Service (CHIS); the Hawaii Book Publishers Association; the Hawaiian Electric Company (HECO) and Hawaiian Electric Industries (HEI) Charitable Foundation; the Building Industry Labor Association of Hawaii (BILA); and the Korean Library Foundation.

Communication Procedures:

This Five Year Plan is the outgrowth of the successes and setbacks of our 2003 – 2007 program efforts. We are committed to continuing the major endeavors such as supporting our automation network, collection and customer inventories, commercial databases and other online resources, and a common library card, all of which are provided as statewide services. We also plan to continue self-service, privacy-enhancing services as they become available. The results and recommendations gathered from formal surveys and informal feedback from both customers and staff over the years have been incorporated into ongoing activities and into the new Five Year Plan.

The State Librarian developed a list of HSPLS goals and objectives with the help of senior administrators and support heads. This document was distributed to all HSPLS libraries and offices and staff suggestions were incorporated into the document. The detailed goals and objectives statement was presented to the Board of Education's Committee on Public Libraries on June 13, 2007. These goals and objectives form the basis of this LSTA Five Year Plan for 2008 – 2012, which aligns with the overall strategic plan for HSPLS.

When the Five Year Plan has been approved by IMLS, it will be linked to the HSPLS web site. Paper copies will be distributed to the staff, Board of Education, Friends of the Library of Hawaii, State legislators, the Congressional delegation, the Governor, and appropriate State agencies and other stakeholders. Readers will be invited to submit their comments and recommendations

Any substantive revisions to the Plan, especially to the needs and goals, will be submitted to IMLS according to the provisions of the LSTA, and to appropriate stakeholders. An e-mail will be sent, followed up with hard copy.

HSPLS will publicize achievements and important milestones and the results of the Five-Year Plan as required for reporting purposes to IMLS as well as to stakeholders and the general public. Channels of communication include the HSPLS web site, Holo I Mua, the library system's newsletter, reports to the Board of Education, the Governor and appropriate departments, the Hawaii State Legislature, and the Congressional delegation, and other formal and informal means of dissemination in print and electronic formats and via presentations and meetings.

Monitoring Procedures:

HSPLS will continuously track implementation of the Five-Year Plan and prepare annual State Program Reports as required. We will utilize commercial and in-house survey instruments to assess staff and customer satisfaction feedback about our initiatives and to elicit recommendations for further improvement.

REMARKS BY DONNA R. IKEDA
CHAIRPERSON, BOARD OF EDUCATION
STATE OF HAWAII
TO THE SENATE COMMITTEE ON EDUCATION AND
THE HOUSE COMMITTEE ON EDUCATION
TUESDAY, JANUARY 15, 2008

Chairperson Sakamoto, Chairperson Takumi, and members of the Senate and

House Committees on Education:

Good afternoon. I am Donna Ikeda, Chairperson of the Board of Education

(Board). Thank you for the opportunity to speak before you today. I am pleased

to share the Board's priorities and initiatives for public education.

Four years ago, lawmakers passed enabling legislation to implement significant

education reform in our public schools. Among them, a Weighted Student

Formula (WSF) for allocating operating moneys to public schools, the transfer of

critical functions from several state agencies to the Department of Education

(Department or DOE), the transition to a School Community Council (SCC)

system, and the move to single school calendar. Act 51 also reduced class sizes

in specific grades; provided more math textbooks; and established a National

Board Certification Incentive Program for teachers, among others.

Four years later, we are in the second year of WSF implementation and the

Board just approved a WSF for the upcoming school year. Critical functions that

were once under the Department of Accounting and General Services (DAGS),

the Department of Health (DOH), the Department of Human Resources Development (DHRD), and the Department of Human Services (DHS) have been transferred to the DOE; every DOE school has an SCC; and all schools, except multi-track and charter schools, are on a single school calendar. It's been quite challenging and a lot of hard work.

Determining a WSF hasn't been easy. There are so many things that need to be considered: the amount of weight assigned to each student characteristic, impact of the WSF on schools, school adjustment and transition to the WSF, budgetary adequacy, among others. The Board and the Department will continue to review and adjust the WSF where necessary, to acquire and realign educational resources. Our budget request contains $15.1 million to increase the funding under the WSF. The Board will also be proposing legislation that requests funding for travel and associated costs to assist students of geographically isolated schools.

The Board provides direction and support to the Department and the Hawaii State Public Library System (HSPLS) through its statewide policies. This past November, the Board revisited its goals and priorities for public education and the public libraries. Through small group discussions and consensus, the Board established new goals and re-affirmed existing ones.

Board priority: Support a strong instructional program

Last year, the Board approved cut scores and proficiency levels for the Hawaii State Assessment (HSA), which is administered in the spring of each school year to measure how close students come to meeting the Hawaii Content and Performance Standards III. The Board also maintains regular oversight and monitoring over Department curricular programs and education standards through its Committee on Regular Education, K-12. Updates on summer school, smaller learning centers, and the electronic Comprehensive Student Support System were scrutinized and reviewed by the committee. The Committee also is considering end of course exams, credit by exams, and a B Plus Scholarship, which is tied to Board Policy 4540, "High School Graduation Requirements and Commencement Policy."

In November 2007, the Board amended Board Policy 2160, "Special Education and Related Services Policy," to update existing provisions and to encourage the development of Centers for Excellence that service students with disabilities.

The Hawaii 2007 National Assessment of Educational Progress (NAEP) results show growth in student achievement. Hawaii was the only state to show significant gains in both grades 4 and 8 and in both reading and math. There are other successes as well. Preliminary final Adequately Yearly Progress (AYP) results show that 65 percent of all schools made AYP in School Year 2006-2007, an impressive increase from 35 percent the year prior. There were also

significant increases in the number of students who reached proficiency in reading and math in School Year 2006-2007.

By School Year 2013-2014, NCLB requires that all students reach proficiency in reading and mathematics. The benchmarks to reach this ultimate goal get higher and higher each year. Without the resources necessary to provide the services and supports that students require, this goal will become increasingly unreachable. The progress achieved to date show that with adequate resources and a lot of hard work, success is attainable. We need your support to continue to progress successfully.

The Board is working with the Department to facilitate transition from early childhood education to kindergarten through grade 12 and post-secondary education. Our global economy demands that our students receive a solid educational foundation in order to compete for the same jobs and colleges as their global counterparts. The rigor required compels us to look at other areas that impact student learning and achievement. This includes extending the learning time for students by extending the school day and possibly lengthening the school year for instruction. As you may know, Hawaii has the dubious distinction of having one of the shortest school days in the nation.

Board priority: Provide safe and secure schools and libraries

The safety and security of our public schools and public libraries have been a longstanding Board priority.

The Board initiated the first steps to review and update existing administrative rules on Chapter 19, Hawaii Administrative Rules (Chapter 19). Chapter 19 covers a range of school safety and student discipline provisions, including student misconduct, school searches, reporting offenses, and restitution for vandalism and negligence.

In November 2007, the Board approved for public hearing, proposed amendments to Chapter 19. The proposed amendments include updating definitions and disciplinary actions, providing additional proactive interventions, and establishing other provisions to support implementation of Chapter 19. In addition, the Board-approved DOE Supplemental Operating Budget request includes $300,000 for a drug-sniffing dog program to support a drug-free school environment.

Last year, the Board updated its "Safe Workplace Policy," which endorses a safe and harmonious work environment in the DOE and HSPLS. A proposed Board policy on "Anti-Bullying, Anti-Harassment, and Anti-Discrimination Against Student(s) By Employee Policy" was recommended out of Board committee in November and will be voted on by the full Board shortly.

The Board, through its committees, works with the Department to ensure an array of comprehensive student support and services at the state- and school-levels to encourage positive student learning behaviors, promote student learning, and engage the family and community in the educational process.

DOE Supplemental Operating and CIP Budget Requests

The Board asks for your support in funding the items specified in the Board-approved DOE Supplemental Operating and Capital Improvement Projects (CIP) Budget Requests for Fiscal Year 2008-2009. The DOE Supplemental Operating Budget Request of $47.9 million in general funds reflects the priorities of the Board and the Department. The requested funds are needed to continue the progress made in implementing Act 51, meeting the federal No Child Left Behind Act (NCLB) mandates, and fulfilling other provisions of state and federal law.

The DOE Supplemental Operating Budget Request includes funding for the following Board priorities:

- ***Board priority: Recruitment and retention of high quality and effective teaching, leadership, and support.*** *The DOE budget request includes a Memorandum of Agreement with the University of Hawaii to continue the Master of Education in Teaching Program to increase the number of highly qualified teachers, as well as funds for developing and implementing the Principal Performance Contracts initiated by Act 51.*

- *Board priority: Provide quality school facilities.* *Our budget request includes funds for repair and maintenance of school facilities, and additional funds for Ewa Makai Middle School, cesspool removal in conformance with federal requirements, and other CIP projects.*

  The Executive Budget request includes the conversion of cash to bond funding for the Department's whole school classroom renovations and for the repair and maintenance of school facilities.

  Due to the Administration's restriction of cash appropriations, we are requesting the Legislature to fund all of the DOE Supplemental CIP Budget Requests and the Executive's request of conversion of cash to bond funding for CIP.

- *Board priority: Provide alternative programs to meet diverse student needs.* *Our budget request also includes funds for resource teachers to address homeless concerns, gifted and talented programs, and grants to increase non-school hour programs such as art, music, dance, technology, tutoring, broadcast journalism, physical fitness, credit recovery, and special projects.*

- ***Provide technological infrastructure to the public education and public library systems.*** *The Board is initiating legislation to appropriate funds for science and technology in the public schools.*

None of the priority requests in the DOE Supplemental Operating Budget Request are included the Executive Budget. Furthermore, moneys that were appropriated last session for a number of educational initiatives and programs and CIP projects, have been withheld by the Administration. In the meantime, essential educational programs and services go unfunded or are inadequately funded. As such, important facilities' projects, such as the construction of an Ewa Makai Middle School and a Kihei High School, will have to be delayed or scaled back, resulting in greater costs to the State in the long run.

Unfunded items, such as the Random Drug Testing Program for teachers, place an additional burden on the system by requiring the Department to take moneys from already earmarked essential educational programs and services and deploy them for other uses. Actions like this certainly do not nurture or sustain a quality education system. The Board requests legislative funding of the DOE Supplemental Operating and CIP Budget Requests to enable the Department to continue its work to support student learning and achievement.

Recently, statements have been made that infer that the education system is more than adequately funded because the budget for education exceeds two billion dollars. However, it is important to note that funding for public education goes well beyond teaching children to read, write, and add. The education budget provides an array of services that include student meals, student transportation services, special education services, student and family counseling services, student transition services, and after-school care services, among many. The education budget also covers debt service, fringe benefits, and utility, personnel, and facilities costs. In short, our education dollars are stretched beyond providing just academic and educational services to students.

It is also important to note that while increases in the current Executive Budget appear to be increases to the DOE's budget for educational needs, they are, in fact, primarily a pass-through of the cost of fringe benefits and debt services for the Department. These moneys go directly to the Department of Budget and Finance.

Board Ad Hoc Committee on Facilities

In April 2007, the Board convened the Ad Hoc Committee on Facilities (Ad Hoc Committee) to gather information and discuss and address land ownership, closure of small schools, facilities maintenance, and asset management of educational facilities.

The Ad Hoc Committee received tremendous input from a number of well-respected individuals from the public and private sectors who are knowledgeable in the areas of facilities and land management. They include the Chamber of Commerce of Hawaii, D.R. Horton, First Hawaiian Bank, Hawaii Business Roundtable, Kaneohe Ranch, Land Use Research Foundation of Hawaii, Outrigger Enterprises, Hawaii Housing Finance and Development Corporation, and the Departments of Accounting and General Services and Budget and Finance.

Many key issues have been addressed by the Ad Hoc Committee. They include land and asset management, stewardship versus ownership of lands, land trust, school consolidation, equity of facilities throughout the State, and the best use of existing facilities and lands, among other areas.

The Board thanks the business and community leaders who participated in the Ad Hoc Committee discussions and for their continued support.   These individuals are committed to developing the recommendations of the Ad Hoc Committee and "the next steps."

Finally, the Board also approved a new four-year contract for Superintendent Hamamoto. Superintendent Hamamoto's vision, wide-ranging and far-reaching breadth of experience and leadership in public education, and commitment to a quality education are what we need to continue the momentum of progress, raise

student achievement, and move the public school system forward in these next four years.

Hawaii State Public Library System Supplemental CIP Request

Hawaii's public libraries are an extension of supporting lifelong learning in the community. HSPLS did not submit a Supplemental Operating Budget Request for FY 2008-2009 because it does not require any additional positions or funds at this time. Despite this, HSPLS is continuing to move ahead with its proposed reorganization plans.

HSPLS submitted a Supplemental CIP Budget Request for FY 2008-2009. HSPLS requests an additional $400,000 for the Waialua Public Library Project and a planning consultant for various libraries statewide. Neither project is included in the Executive Budget. We respectfully ask for your consideration of this request.

We are fortunate to begin this new year with State Librarian Richard Burns at the helm of the public library system. In October 2007, the Board appointed Mr. Burns to a four-year term as State Librarian to fill the vacancy left by former State Librarian Jo Ann Schindler who retired at the end of the 2007 year.

Public charter schools

The Board's responsibilities with respect to charter schools extend to serving as an appeals board for charter school applicants or charters schools that do not agree with the decisions of the Charter School Review Panel (Panel). To date, the Board has received appeals from four charter school applicants who are appealing the Panel's decisions.

The Board will be holding a special meeting this Friday for charter school applicants to present arguments relating to their respective appeals filed with the Board.

Board priority: Build partnerships and communications with the community

One of the Board's priorities is to foster greater partnerships and communications with the community. The Board holds its 23 general business meetings annually in each of the seven school districts throughout the State. Board members also use this opportunity to visit schools and meet members of the respective school communities.

The Board also holds community meetings statewide. Act 51 requires the Board to hold at least two community meetings in each of the seven school districts. Board community meetings are held in an informal setting and afford Board

members and the community opportunity to "talk story" on issues and matters affecting public education and the public libraries.

To enhance communications with the community, in 2003, the Board launched a monthly newsletter, "BOE Highlights." The newsletter features actions taken by the Board in areas such as policymaking, standards-based education, legislation, Board appointments, and budgetary and fiscal matters. The newsletter also shares achievements and accomplishments in the public education and public library systems. Board committee assignments and Board meeting schedules are also in the newsletter, which is available via the Board of Education web site.

Last year the Board began podcasting of its committee and general business meetings. Podcasting of various Board meetings is currently available in audio via the Board web site; however, the Board is working on podcasting its meetings in video as well.

Thank you for this opportunity to give you an update on public education. We look forward to working with you this session and wish you well in your deliberations.

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Joint Education Committees
Informational Briefing
Department of Education
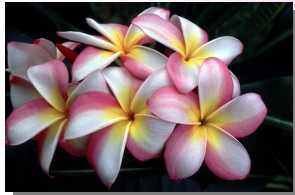
Patricia Hamamoto
Superintendent

January 15, 2008

1

Background Material

As Department of Education
Shareholders
We believe...
All students can and want to learn.
All students deserve an excellent public education.
We value...
Public education.
Continuous improvement and excellence.
A safe and caring learning environment.
Civic responsibility in a democratic society.
We give our students, families and community hope for a better future.

SY 2008-2011
Strategic Plan

Superintendent's
Annual Report

Annual Financial
Report

http://doe.k12.hi.us/standards/strategicplan.htm

2

Mission of Public Education/ Department of Education:

Hawaii's Best Choice!

To prepare:
- *A literate citizenry for a democratic society*
- *A skilled workforce for tomorrow*

Think of the "System" as a Starfish

State Offices
Complex Areas
KIDS!
Board of Education
Schools
Community

4
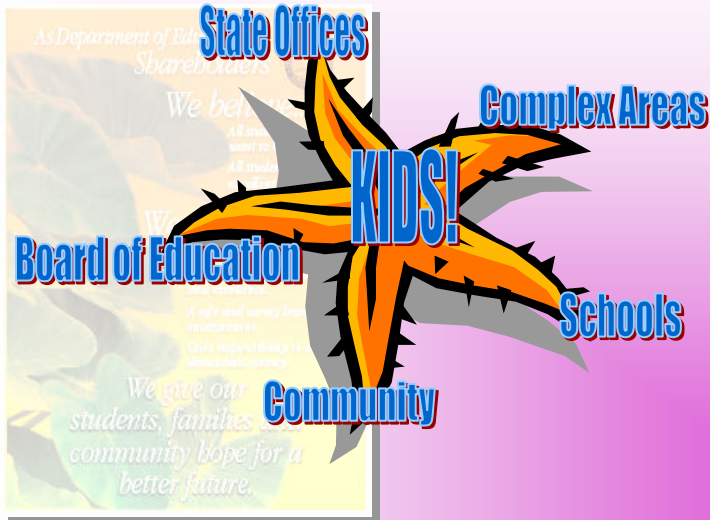
Many changes have occurred!

Major Drivers

Act 238 - 2000

NCLB 2002

IDEIA 2004

Act 51 2004

Delinking

Academic/ Financial Plan

Weighted Student Formula

Highly Qualified Teachers

SCCs

Assessments

Standards-Based Education

Accountability

Student Information System
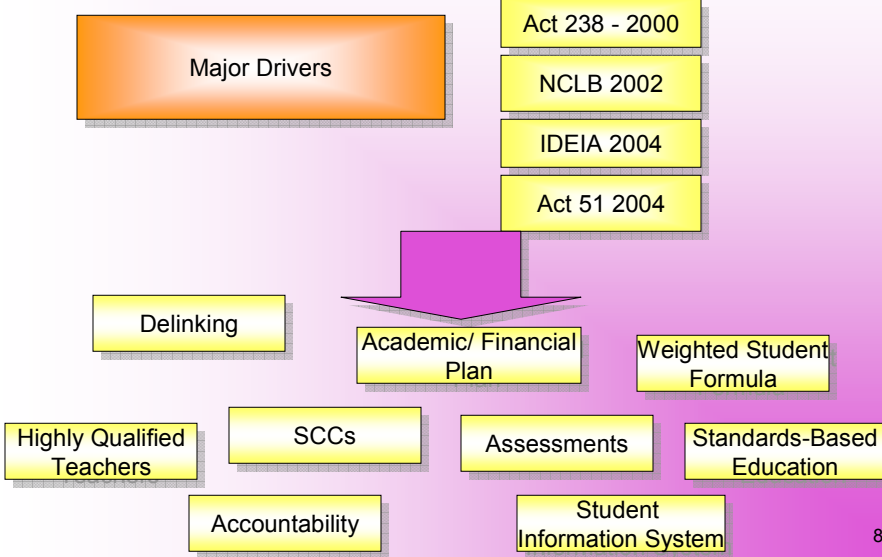
8

Status Today

9

Reinventing Education

Act 51/SLH 2004 enables the *Transformation of Public Education*

- Of the 38 deliverables 36 have been completed
- School Health Aides transferred from DOH to DOE July 1, 2007
- To be completed:
  - Classification and Compensation Study March 2008
  - Principals Performance Contract
    - Pilot & Training– SY 2007-2010
    - Statewide – SY 2010-2011

Reinventing Education Act for the Children of Hawaii

Helping Our Children Reach for the Future

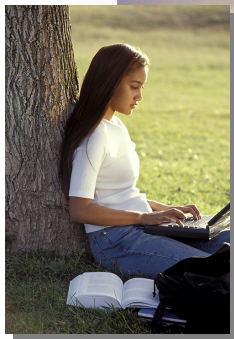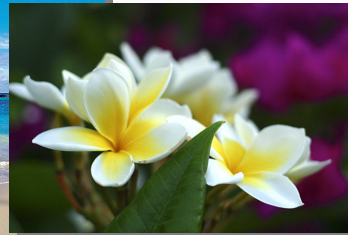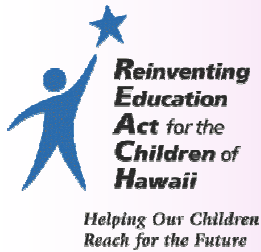# Hawaii State Assessment Data Reading

Reading- Percent Proficient
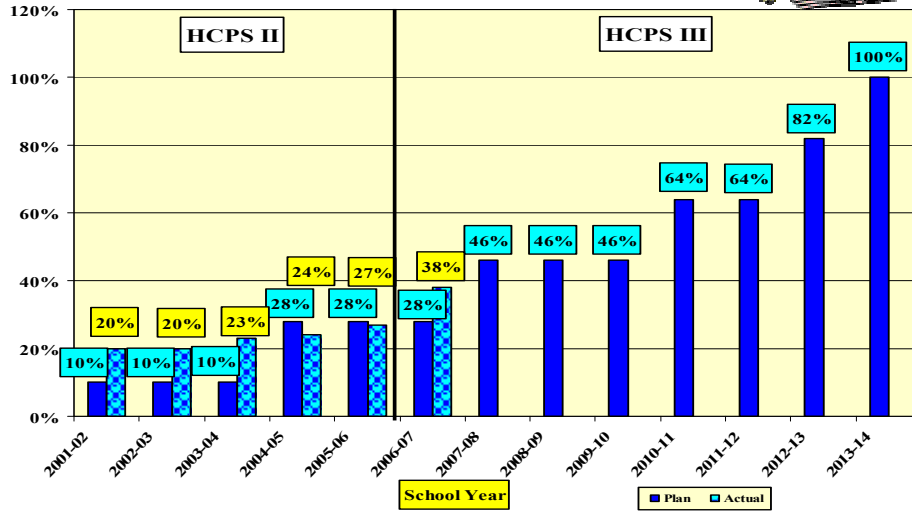
School Year	HCPS II					HCPS III							
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Plan	30%	30%	30%	44%	44%	44%	58%	58%	58%	72%	72%	86%	100%
Actual	42%	41%	45%	48%	47%	60%							

Legend: ■ Plan ■ Actual

5
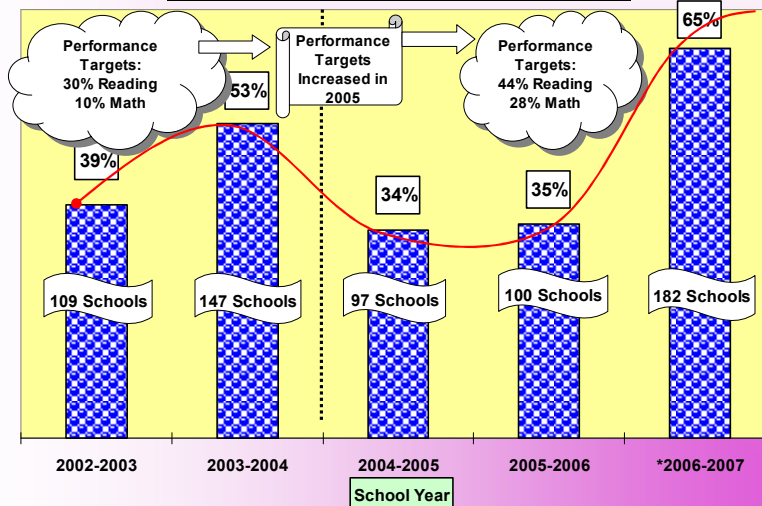
Percent of Students with Special Needs 2007

Economically Disadvantaged 29%

Special Education 5%

Section 504 1%

English Second Language Learners 3%

Multiple Special Needs 13%

No Special Needs 49%

Totals may not be exactly 100% due to rounding
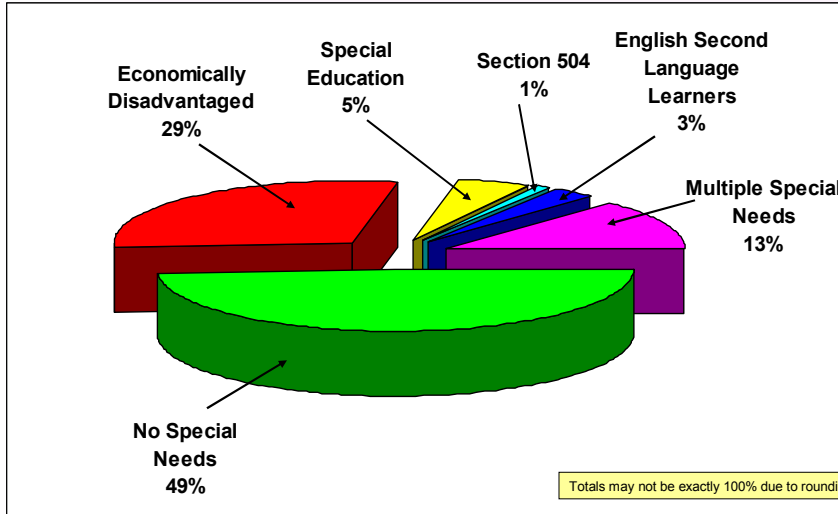
Over 50% of our students require more resources!

20

DOE supports equitable educational opportunity for all students

Weighted Student Formula (WSF) is a way to allocate funds to schools based on student educational needs.

21

6

Update on WSF Implementation for SY 2008-09

- BOE approved recommendations of Committee on Weights (COW) III
  - Re-affirm and maintain WSF basic goals and weights
  - Do not place additional categorical programs into WSF for SY2008-09
  - Increase Special Education Pre-K students to a weight of 1.0 from 0.5

24

Update on WSF Implementation

- Charge schools for principal average salary by school size and school level instead of one average salary by school level
- Segregate English Language Learners (ELL) weight
  - Fully English Proficient (FEP)
  - Limited English Proficiency (LEP)
  - Non-English Proficiency (NEP)
- Add Neighbor Island weight to acknowledge higher operating costs
- Proceed with 100% implementation

25

Update on WSF Implementation

- – Temporary reserve created until confirmation of the Official Enrollment Count (OEC)
- – Implement sliding scale for school size adjustment
  - • Basically, all medium- and larger-sized schools subsidize smaller schools, not just those larger than a certain range of enrollment
- – Implement limitation of no more than 4% loss for a school compared to the prior year WSF allocation at the OEC in August (There is no cap on increases.)

26

Update on WSF Implementation

- – Continue allocation of $20.1 million foundation funds at fixed amount by school level independent of WSF calculation
  - • Elementary $63,300
  - • Middle $84,350
  - • High $126,580
  - • Combination $147,680
- – Because of adopted changes in WSF, the value of 1.0 will decrease for schools in SY 2008-09

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WSF Tentative Allocation and Foundation Funds for SY 2008-09

Description	Total PROJECTED Funds Available	% of Total PROJECTED Funds Available
Grand Total - WSF Funds	$911,050,744	100.0%
Student Weighted Characteristics	$813,422,626	89.3%
School Enrollment Characteristics	$72,522,644	8.0%
Foundation Funds	$20,105,474	2.2%
Reserved WSF Funds for Enrollment Count Adjustments - Sept and Jan	$5,000,000	0.5%

28

Did you know?

31

World Future Society

The Futurist: Top 10 Breakthroughs Transforming Life over the next 20-30 years
Best forecast data ever assembled

100% Hawaii Deep Seawater

1. Alternative energy
2. Desalination
3. Precision farming
4. Biometrics
5. Quantum computers
6. Entertainment on demand
7. Global access
8. Virtual education or distance learning
9. Nanotechnology
10. Smart Robots

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Raising the Bar!!

Basics **Transformation** **21st Century Skills**

All basic literacy skills

Standards Based Education
•Standards
•Assessments
•Benchmarks
Literacy
Highly Qualified Teachers

Early Childhood Education
Online Learning Expansion
Highly Qualified / Effective Teachers
Career Pathways

Common Curriculum
Specialty / Signature Schools
American Diploma Project
P-20

Global Awareness
Economic/ Financial literacy
Civic Literacy
Critical Thinking
Career/ College Ready

Alignment   Increased Rigor Relevance   Achievement

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Increasing Student Achievement

Increase Student Achievement

Effective Teaching and Learning
in every Classroom

Leadership	Professional Development	High Functioning System

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Transformation

What does it look like?

Transformation Model:
Honolulu – Leeward Districts

Complex Area Name	Number of Students
Farrington-Kaiser	11,409
Kaimuki-Kalani	8,877
McKinley-Roosevelt	10,988
Honolulu District Total	31,274
Campbell-Kapolei-Waianae	21,385
Nanakuli-Pearl City-Waipahu	17,498
Leeward District Total	38,883

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Honolulu and Leeward Districts
Reallocation of Resources

Complex Area Name	Number of Students
Farrington-Kaiser-Kalani	15,222
McKinley-Roosevelt-Kaimuki	16,052
Honolulu District Total	31,274
Waianae - Nanakuli	8,265
Campbell-Kapolei	15,534
Pearl City-Waipahu	15,084
Leeward District Total	38,883

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How do we get there?

SY 2008-09	SY 2009-10	Beyond
Oahu Honolulu – Leeward Reorganization	Specialty / Signature Schools Created Statewide	Common Curriculum
•*Kaiser-Kalani-Farrington* •*Kaimuki-McKinley-Roosevelt*	Integration with Online Course expansion	P-20 Integration
	CAS Weighted Formula	Seamless Student Transitions
•*Waianae- Nanakuli* •*Campbell-Kapolei* •*Pearl City- Waipahu*	American Diploma Project	International Academies
	ELL/ New Comer	Expansion of Specialty/ Signature Schools
Explore other Configurations for Small schools	Parent/ Community	
	Early Childhood	

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Increasing Student Achievement

Increase Student Achievement

Effective Teaching and Learning in every Classroom

Leadership	Professional Development	High Functioning System

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Operating Budget Request

**Board of Education Budget Request
compared to Executive Budget Request
Supplemental 09**

54

Operating Budget Process

- Board of Education sets the priorities

- Priorities are based on public input, the Board's and the DOE's Visions, the DOE Strategic Plan, and such mandates as:
    - No Child Left Behind Act
    - Individuals with Disabilities Education Improvement Act of 2004
    - Sustaining special education services
    - Reinventing Education Act of 2004 (Act 51/SLH 2004)

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Operating Budget Process

Supplemental budget: *Budget and Finance Instructions* stated requests for additional funding may be proposed for:

- High-priority program initiatives of the Governor
- On-going critical programs, functions, or activities which were funded in FY 08 but not funded in FY 09
- Non-discretionary expenses:
  - Debt service
  - Employee fringe benefits
  - Court orders/consent decrees/Federal mandates
- Critical activities/services for public health and safety

Board of Education
FY2008-09 General Fund Supplemental Request Compared to Executive Budget

EDN	BOE Request $	BOE Request FTE	Exec Request $	Exec Request FTE
EDN 100	$23,392,061	45.00	$ -	-
EDN 150	$ 180,925	109.00	$ -	108.00
EDN 200	$ 7,286,945	25.00	$ -	-
EDN 300	$16,508,336	64.50	$ (50,000)	-
EDN 400	$ 598,339	2.00	$ -	-
Sub TOTAL	$47,966,606	245.50	$ (50,000)	108.00
EDN 915	$ (2,964,749)		$ (2,964,749)	-
EDN 941	$ 72,240,842	-	$ 72,240,842	-
TOTAL	$117,242,699	245.50	$ 69,226,093	108.00

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Department of Education
Supplemental Budget Request - SY 2008-09
By Category of Requests

General Fund Request: $47,966,606

Student Achievement, $31,616,353

Compliance, $12,179,481

Health & Safety, $1,004,648

Infrastructure, $2,898,005

Shortfall, $268,119

FY2008-09 Operating Supplemental Request (Top Five Priorities – all Student Achievement)

Priority	Description	FTE	General Funds
1	Middle School Math Grant Program	0.00	5,000,000
2	Non-School Hour Program positions and funds	2.00	400,000
3	Weighted Student Formula Funds to be Allocated for Reducing Grade 3 Class Size and Gifted and Talented Students	0.00	14,085,030
4	Weighted Student Formula to Offset Cost of Doubling Transiency Weight from .025 to .05	0.00	1,594,788
5	Homeless Student Support positions and funds	2.00	613,488

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Total DOE Operating Budget Request

All Funding Sources	FY2009		
	Current Appropriation	BOE Supplemental Request	Total
General Funds (A)	1,404,906,145	47,966,606	1,452,872,751
General Funds - Pass Throughs (A)	637,285,207	69,276,093	706,561,300
Total - General Funds	2,042,191,352	117,242,699	2,159,434,051
Special Funds (B)	33,531,825	-	33,531,825
Federal Funds (N)	261,847,302	-	261,847,302
Trust Funds (T)	6,750,000	7,000,000	13,750,000
Interdepartmental Transfers (U)	13,800,000	-	13,800,000
Revolving Funds (W)	19,428,000	322,625	19,750,625
Grand Total	$2,377,548,479	$124,565,324	$2,502,113,803

Public School Infrastructure Needs

71

72

Public school infrastructure

- Need for new schools.
- Need to provide facilities at existing schools.
- Need for periodic rehabilitation of older facilities.
- Need for ongoing repair and maintenance.
- Air conditioning expectations.
- **Source of funds for all of the above?**

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Need for new schools-
Enrollment is trending down,
but growth areas need more schools:

Location	No. of Schools	Cost (Millions)
Central Oahu: Waiawa Ridge, Koa Ridge	4	$289
Leeward Oahu: Ewa-Kapolei	7	463
Maui: West Maui, Central Maui, Kihei	4	299
Hawaii: South Kohala, North Kona	2	95
Total	17	$1,146

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Facilities needed at existing
schools FY 08 and 09

Summary:		Cost (Millions)
Kauai	Cafeteria, Library	9.6
Oahu	Classrooms	12.0
Hawaii	Classrooms, Locker/ Showers	70.4
Maui County	Classrooms, Locker/ Showers	27.7
Total		$119.7

82

19

Need for periodic *rehabilitation* of existing facilities

- We're doing: Renovation
  - We are in the process of completing the "renovation" of classrooms built before 1980
  - The current per-classroom cost is about $50,000
  - This work does not include work that requires a building permit (plumbing, electrical, structural)

- We're NOT doing: Rehabilitation
  - Rehabilitation on a 50-year cycle @ $100 per sq.ft. for about 45 million sq.ft. results in an annual requirement of about $90 million
  - This includes "permitted" work

83

Ongoing repair and maintenance

- "Best practice" is to provide between 2% and 4% of the replacement cost of a facility for its annual maintenance
- The replacement cost of DOE facilities is about $5 billion. Using the middle of the range – 3% – results in an annual cost of $150 million
- DOE average annual expenditure = $80 million

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Air conditioning expectations

- Hawaii residents in the 21st century expect air conditioning in their offices, cars, and (in some areas) homes
- This expectation extends to most schools
- The cost ranges from $3 to $10 million per school
- For 235 schools not yet air conditioned, the cost is about $1.5 billion

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Add it all up!

	Total	Annual
New schools	$1.15 billion	$100 mm
Facilities at existing schools	$119 million over 4 yr.	30 mm
Rehab	$100/s.f. every 50 yr.	90 mm
Ongoing R&M	3% of repl. cost	150 mm
Air conditioning	$1.5 billion	150 mm
TOTAL		$520 mm

86

Where does it come from?

Current state funding	$300 mm/yr
Developers/homeowners per Act 245 (2007) – 10% of new school construction cost	$ 10 mm/yr
Subtotal	$310 mm/yr
Needed	$520 mm/yr
Gap = higher taxes, higher fees, or lower expectations	$210 mm/yr

---

Board of Education
Capital Improvement Program (CIP)
Supplemental Budget Request
FY 2008-09

Department of Education
Capital Improvement Program (CIP)
FY 07-08 appropriations vs. allotments

	07-08 BOE request	07-08 appropriation	07-08 allotment
Ewa Makai Middle	67.7	66.9	66.9
Wailuku II Elem.	43.0	41.4	41.4
Electrical upgrades	75.0	37.4	37.4
R&M lump sum/ Classroom renovation	75.0	75.0	55.0
All other	137.0	124.0	103.3
Total	$ 397.7	$ 344.7	$ 304.0

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Department of Education
Capital Improvement Program (CIP)
FY 2008-09 supplemental highlights ($ millions)

	08-09 Biennium Request	08-09 approp.	08-09 BOE suppl.	08-09 Exec. suppl. (new)
Ewa Makai Middle		0.8	11.0	
Cesspool removal			49.0	
R&M lump sum	75.0		75.0	6.5
Kihei High	90.0	20.0		
Kapolei & W Maui El	85.9			
All other	149.9	22.8	64.4	33.5
Total	$ 400.8	$ 43.6	$199.4	$40.0

Department of Education
Capital Improvement Program (CIP)
Status of cash CIP appropriations ($ millions)
Executive Budget Request to convert to Bond Funding

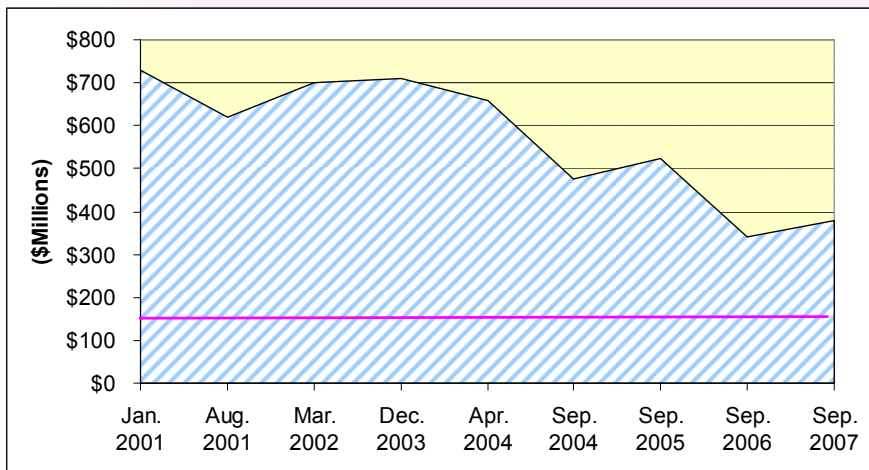|	Year appropriated	Amount appropriated	Amount withheld
Classroom renovations	2006	160.0	120.0
R&M lump sum	2007	50.0	20.0
		$ 210.0	$140.0

95

School Building Improvements (Major R&M) – Total Backlog

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Classroom Renovation Project Timetable

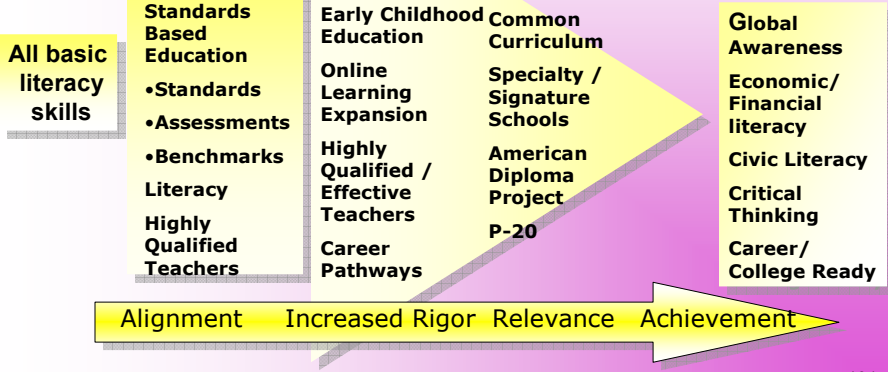| Completion date	Original	Current estimate
Construction in process	July 2008	July 2008
Construction pending	July 2008	Dec 2008
Awaiting conversion of cash to bond funding	Sept 2008	June 2010

99

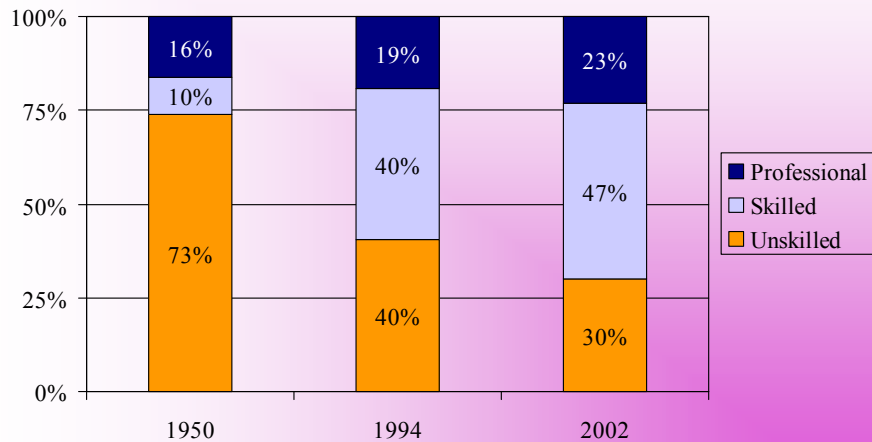## Increasing Student Achievement

Increase Student Achievement

Effective Teaching and Learning in every Classroom

| Leadership | Professional Development | High Functioning System |

100

Raising the Bar!!

Basics   Transformation   21st Century Skills

All basic literacy skills

Standards Based Education
- Standards
- Assessments
- Benchmarks

Literacy

Highly Qualified Teachers

Early Childhood Education

Online Learning Expansion

Highly Qualified / Effective Teachers

Career Pathways

Common Curriculum

Specialty / Signature Schools

American Diploma Project

P-20

Global Awareness

Economic/ Financial literacy

Civic Literacy

Critical Thinking

Career/ College Ready

Alignment   Increased Rigor Relevance   Achievement

101

Unskilled jobs are disappearing and demand for higher skills is rising

Year	Professional	Skilled	Unskilled
1950	16%	10%	73%
1994	19%	40%	40%
2002	23%	47%	30%

Source: U.S. Bureau of Census and Pennsylvania Department of Labor and Industry, Center for Workforce Information and Analysis (Pennsylvania statewide)

6

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American Diploma Project supports
Hawaii's efforts to prepare graduates
for careers and college

- Align high school standards with college and work expectations

- Require all students to take more challenging college and work-prep courses

- Administer tests that measure readiness for college and work to all

- Hold accountable high schools and postsecondary institutions for student success

Achieve, Inc.
American Diploma Project Network

105

"Career and College Ready" Literacy
with special focus on Mathematics

English Language Arts

Mathematics

Middle School Math grants
Algebra 1 software
Algebra 2 (end-of-course exam)

Pre-Algebra/
Problem
Solving

Algebra 1

Geometry

Algebra 2

Algebra 3/ Trig

Pre-Calculus

Probability/
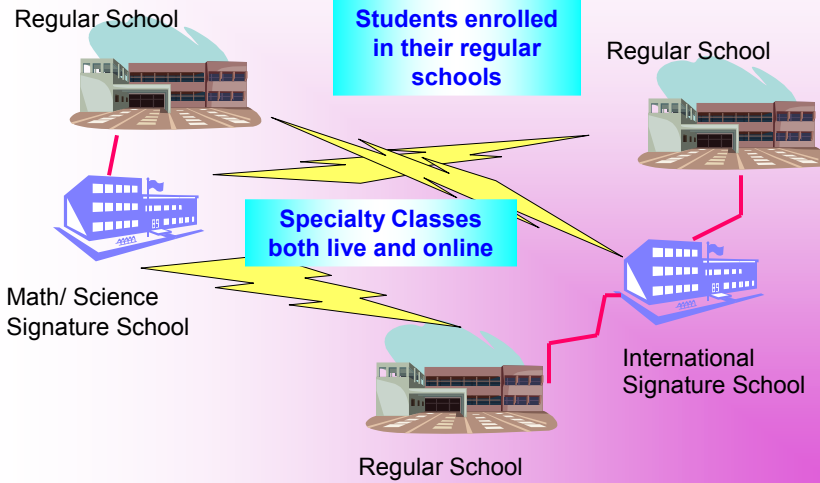Statistics

Calculus

AP Calculus   106

Science

Social Studies
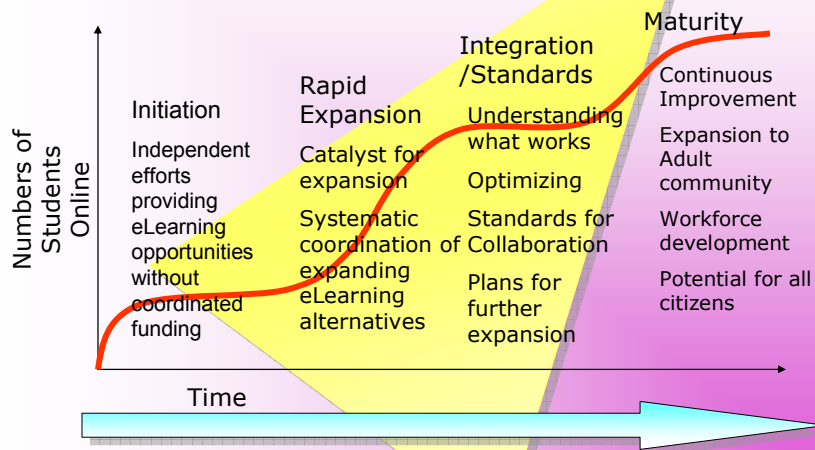
28

Highly Qualified Teacher State Plan (HQT)

- All USDOE identified academic subjects are taught by HQ teachers
- To assure that poor and minority students are not taught disproportionately by Non-HQ teachers.

110

USDOE HQT Academic Subjects

- English
- Mathematics
- Science
- Civics/Government
- Economics
- Geographic
- History
- Foreign Language
- Arts

high need

English
Math
Science
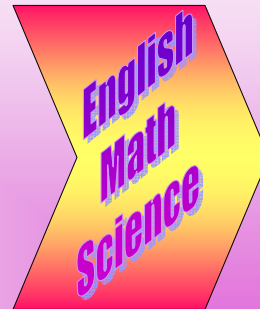
111

Percent of Classes Taught By HQ Teachers (2006 –2007)

- Elementary
  89%
- Secondary
  66%
- Special Education
  18%

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Highly Qualified Action Plan

- NCLB Initiatives: 2007-08 SY
- Identification Non-HQ Teachers
- Teacher Outreach
- Professional Development Plan for Teachers
- Mentoring Support
- Praxis Prep
- Professional Development Coursework
- Institute of Higher Education (IHE) Partnership Program

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Information Technology Support

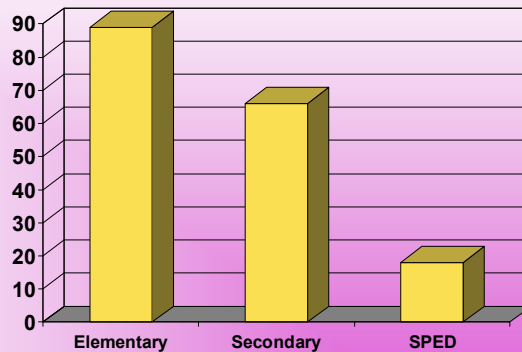|	Impacts		Participates in Development			
	Schools	System	OCISS	OHR	OSFSS	OFS
eSIS – Electronic Student Information System	✓	✓	✓			
eCSSS- Comprehensive Student Support System	✓	✓	✓			
Human Resources Sys •Time and Attendance	✓	✓		✓		✓
•Prof Development Sys– Highly Qualified	✓	✓	✓	✓		
Financial Information Systems	✓	✓		✓	✓	✓
CIP Repair and Maintenance	✓	✓			✓	✓

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HAWAII eSIS
STATE OF HAWAII DEPARTMENT OF EDUCATION eSIS PROJECT

Implementing and managing new centralized Student Information System

eSIS Implementation

- Schools
- Total Schools

218 Schools operational!

School Year	Schools	Total Schools
SY04-05	12	12
SY05-06	33	45
SY06-07	82	127
SY07-08	91	218
SY08-09	42	260
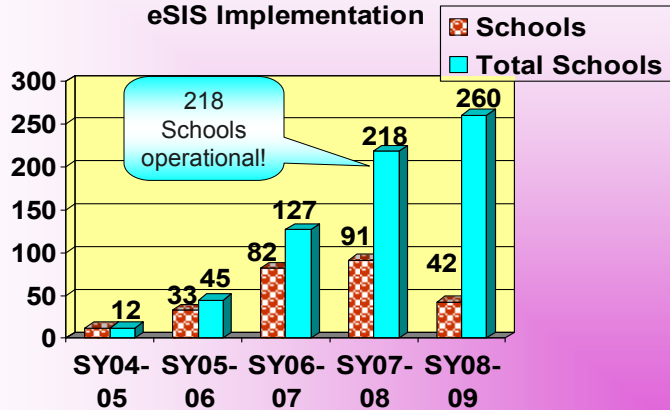
172,000 students online by July 2008!

116

31

How do we create a sustainable technology support structure?

- Create a less expensive alternative to support schools technically
  - 2 Systems Analysts; 15 Technicians
  - Education Technology Coordinators (teachers) should focus on integrating technology into curriculum
- Develop a student internship program to train students to provide basic support for PC's and networks
- Share technology resources in proactive way
- Provide guidance in contracting outside services
- Be a source for training coordination and implementation

School
School
School
School
School
Regional Support Center
School
School
School
School
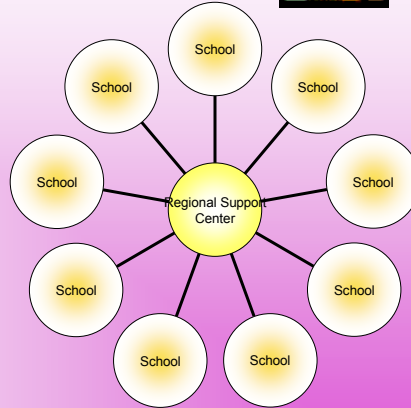
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Complex Area Perspective
Patricia Park
North Central Complex Area

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Commitment to High School Graduate

- **When asked, especially by elementary teachers, "How am I connected to the high school graduate?"**
- **The answer is always –** *"At the end of the school year, you can truly validate that all of your students are on grade level."*
- **This is a K-12 commitment by each adult.**

121

How do you make a complex *strong* (unified for student achievement)?

Continuity

Consistency

Communication

Walk-thrus

Focused Observations

Feedback

122

"Keiki First!"

- Preschool – Special Education
- Summer Pre K programs, i.e. Kinder Camp
- Junior Kindergarten – developmental formative learning and assessments for emotional, behavioral, social, and academic growth
- Kindergarten
- Flex grouping and appropriate interventions

Literacy at Every Level

Character Education

Hawaii State Assessment/ AYP

Personal Transition Plan

STEM

BOE Diploma

Self Reflect

Self Assess

Self Direct

Reading by Grade 3

Interventions & Supports for struggling learners

Targeted Reading and Math Programs

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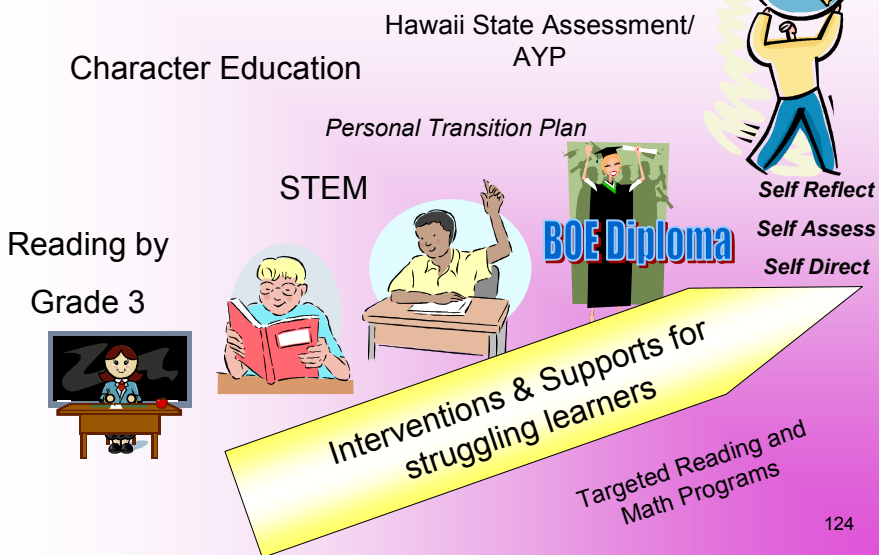
Building the Leadership

- Professional Learning Communities
- Highly Qualified Teacher
- Teacher Leader
- Mentoring and Coaching
  - Common Planning Time
  - Administrator Training (Principals Academy)
  - Academic/ Financial Plan
  - Complex Area Resource Plan

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Now you know!!

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Mahalo for all your support these past years!

Hawaii's Best Choice!

THANK YOU

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FY2008-09 Operating Supplemental Request
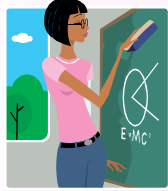(Top Five Priorities – all Student Achievement)

Priority	Description	FTE	General Funds
1	Middle School Math Grant Program	0.00	5,000,000
2	Non-School Hour Program positions and funds	2.00	400,000
3	Weighted Student Formula Funds to be Allocated for Reducing Grade 3 Class Size and Gifted and Talented Students	0.00	14,085,030
4	Weighted Student Formula to Offset Cost of Doubling Transiency Weight from .025 to .05	0.00	1,594,788
5	Homeless Student Support positions and funds	2.00	613,488

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Board of Education
FY2008-09 General Fund Supplemental Request
(Student Achievement)

Description	FTE	General Funds
Organized School Volunteer Program positions and funds	2.00	430,827
Teacher Leader Academy position and funds	1.00	160,793
Administrator Certification for Excellence Program positions and funds	14.00	821,410
Rewards and Recognition Program	0.00	150,000
TOTAL – Student Achievement	73.00	31,616,353

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Board of Education
FY2008-09 General Fund Supplemental Request
(Health and Safety)

Description	FTE	General Funds
Substitutes for School Health Aides	0.00	180,925
Drug Testing Implementation positions and funds	6.00	523,723
Drug Sniffing Dog Drug Prevention Program funds	0.00	300,000
TOTAL – Health and Safety	6.00	1,004,648

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Board of Education
FY2008-09 General Fund Supplemental Request
(Compliance)

Description	FTE	General Funds
Civil Rights Compliance positions and funds	2.00	624,642
Educational Assistant Repricing and Career Ladder positions and funds	2.00	5,074,557
Employee-Based Autism Services position counts only	108.00	-
Master's of Education in Teaching Program funds	0.00	370,000
Public Charter Schools Program Office positions and funds	3.00	114,000

Board of Education
FY2008-09 General Fund Supplemental Request
(Compliance)

Description	FTE	General Funds
Program and Fiscal Evaluations positions and funds	5.00	458,748
Bonuses and Incentives to Recruit and Retain Highly Qualified Teachers, Administrators, and Staff	0.00	875,126
Contract Costs for Recruitment of Highly Qualified Teachers, Administrators, and Staff	0.00	4,662,408
TOTAL - Compliance	120.00	12,179,481

Board of Education
FY2008-09 General Fund Supplemental Request
(Infrastructure)

Description	FTE	General Funds
Procurement and Contract Branch positions and operating funds	5.00	351,684
Payroll and Vendor Payment pre-audit clerks	10.00	345,904
Teacher Housing Program positions and operating funds	2.00	90,000
Worker's Compensation Section positions and funds.	3.50	98,868
Collaborative Human Resources Automation Project contract services	0.00	865,000

34

Board of Education
FY2008-09 General Fund Supplemental Request
(Infrastructure)

Description	FTE	General Funds
Office of Human Resources positions and funds to convert from federal funds and positions and funds to permanently fund	7.00	235,299
Regional Support Centers and a Student Internship Program positions and funds	17.00	911,250
Contracts Compliance Unit position to convert to permanent	1.00	-
Professional Development and Educational Research Institute positions to convert to permanent	1.00	-
TOTAL - Infrastructure	46.50	2,898,005

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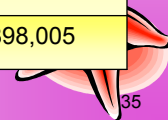
Board of Education
FY2008-09 General Fund Supplemental Request
(Shortfalls)

Description	FTE	General Funds
Board of Education funds for operations	0.00	59,780
Food Service Program operating shortfall	0.00	208,339
TOTAL - Shortfalls	0.00	268,119

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Department of Education
Capital Improvement Program (CIP)
FY 2008-09 supplemental highlights ($ millions)

	08-09 Biennium Request	08-09 approp.	08-09 BOE suppl.	08-09 Exec. suppl. (new)
Ewa Makai Middle		0.8	11.0	
Cesspool removal			49.0	
R&M lump sum	75.0		75.0	6.5
Kihei High	90.0	20.0		
Kapolei & W Maui El	85.9			
All other	149.9	22.8	64.4	33.5
Total	$ 400.8	$ 43.6	$199.4	$40.0

Department of Education
Capital Improvement Program (CIP)
Status of cash CIP appropriations ($ millions)
Executive Budget Request to convert
to Bond Funding

	Year appropriated	Amount appropriated	Amount withheld
Classroom renovations	2006	160.0	120.0
R&M lump sum	2007	50.0	20.0
		$ 210.0	$140.0

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Public Charter Schools Budget Proviso Workgroup
Recommendations and Report
January 15, 2008

To: Senate Education Committee
      Senator Norman Sakamoto, Chair

To: House Education Committee
      Representative Roy Takumi, Chair

From: Charter Schools Administrative Office
      Board of Education
      Governor's Office

Aloha kākou,

The three agency members of the Public Charter Schools Budget Proviso Workgroup are pleased to present this report and our recommendations for amendments to HRS 302B for charter school funding.

The Workgroup came to consensus on several central issues related to charter school funding. Among these is agreement on the concept that per-pupil funding appropriations for regular Department of Education (DOE) and charter schools be equitable and thus that both the charter school system and the regular public school system be funded on a basis that provides equal per-pupil amounts. This recommendation is reflected in the proposed language for amendments to HRS302B. Agreement also was reached that four (4) categories of funds should be excluded from the funding formula. These exclusions include and are limited to the following: special education funds, federal funds, fringe benefit costs and debt service costs.

In explanation of the first three (3) of these four (4) categories of exclusions, the Workgroup recommends that the Department's obligation to provide special education services to special education students attending charters schools be clarified as per our recommended language. The Workgroup also recommends that the statute be amended to clarify that fringe benefit costs paid by the schools will be reimbursed by Budget and Finance (B&F) on a quarterly basis, regardless of the charter schools' choice of payroll system (i.e., FMS, Ceridian, etc.); this recommended language represents current operating practice. Federal funds have long been excluded from the funding formula and the Workgroup recommends language changes only to simplify this issue in relation to the rest of our recommendations.

The Workgroup also recommends that the Department's debt service initially be excluded from the per pupil (operating funds) formula, but that an amount equal to the Department's debt service divided by the Department's enrollment be appropriated to the charter schools for distribution for facilities funding. Because some start-up charters have exceptional facilities needs, the Workgroup recommends that only 80% (eighty per-cent) of these debt-service-equivalent funds be distributed to the charter schools on a per-pupil basis, while the remaining 20% (twenty per-cent) be distributed to those schools with exceptional facilities needs as

approved by the Charter School Review Panel in consultation with the Charter Schools Administrative Office and the charter schools.

While the Workgroup addressed the issues of CIP and major Repair and Maintenance (R&M), we were unable to come to consensus at this time due to the wide variety of options presented and discussed. The Workgroup did agree that the charter schools should be allowed to submit a budget request for CIP funding. However, we recommend that an opportunity for further discussions be provided and that the Workgroup continue to address these issues with the intention of providing the Legislature with recommendations in the near future.

The language changes in the draft bill are the recommendations of the Workgroup. However, there was not consensus on the part of the members of the Workgroup regarding all of the recommendations. As a result a minority report, prepared by the Board of Education, also has been prepared which describes the issues which were not agreed to by consensus. The CSAO and Governor's Policy Office have also prepared responses to the minority report.

Mahalo.

___.B. NO._____

A BILL FOR AN ACT

RELATING TO PUBLIC CHARTER SCHOOLS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1   SECTION 1. Section 302B-3(i), Hawaii Revised Statutes is

2 amended to read as follows:

3   "(i) The powers and duties of the panel shall be to:

4   (1) Appoint and evaluate the executive director and

5   approve staff and salary levels for the charter school

6   administrative office;

7   (2) Review, approve, or deny charter applications for new

8   charter schools in accordance with [section] 302B-5

9   for the issuance of new charters; provided that

10   applicants that are denied a charter may appeal to the

11   board for a final decision pursuant to section

12   302B-3.5;

13   (3) Review, approve, or deny significant amendments to

14   detailed implementation plans to maximize the school's

15   financial and academic success, long-term

16   organizational viability, and accountability. Charter

17   schools that are denied a significant amendment to

18   their detailed implementation plan may appeal to the

.B. NO. __

1   board for a final decision pursuant to section

2   302B-3.5;

3   (4) Adopt reporting requirements for charter schools;

4   (5) Review annual self-evaluation reports from charter

5   schools and take appropriate action;

6   (6) Evaluate any aspect of a charter school that the panel

7   may have concerns with and take appropriate action,

8   which may include probation or revocation;

9   (7) Periodically adopt improvements in the panel's

10   monitoring and oversight of charter schools; [and]

11   (8) Periodically adopt improvements in the office's

12   support of charter schools and management of the

13   charter school system[-];

14   (9) Approve the charter schools' budget submission,

15   including the request for capital improvement funding;

16   and

17   (10) Review, modify, or approve recommendations of the

18   office to allocate non-per pupil facilities funds to

19   charter schools with facilities needs."

20   SECTION 2. Section 302B-8(b), Hawaii Revised Statutes is

21 amended to read as follows:

22 (b) The executive director, under the direction of the panel

23   and in consultation with the charter schools, shall be

.B. NO. __

1   responsible for the internal organization, operation,

2   and management of the charter school system,

3   including:

4   (1) Preparing and executing the budget for the charter

5   schools, including submission of the budget request to

6   the panel, the board, the governor, and the

7   legislature;

8   (2) Allocating annual appropriations to the charter

9   schools and distribution of federal funds to charter

10   schools;

11   (3) Complying with applicable state laws related to the

12   administration of the charter schools;

13   (4) Preparing contracts between the charter schools and

14   the department for centralized services to be provided

15   by the department;

16   (5) Preparing contracts between the charter schools and

17   other state agencies for financial or personnel

18   services to be provided by the agencies to the charter

19   schools;

20   (6) Providing independent analysis and recommendations on

21   charter school issues;

1   (7)   Representing charter schools and the charter school

2   system in communications with the board, the governor,

3   and the legislature;

4   (8)   Providing advocacy, assistance, and support for the

5   development, growth, progress, and success of charter

6   schools and the charter school system;

7   (9)   Providing guidance and assistance to charter

8   applicants and charter schools to enhance the

9   completeness and accuracy of information for panel

10   review;

11   (10)   Assisting charter applicants and charter schools in

12   coordinating their interactions with the panel as

13   needed;

14   (11)   Assisting the panel to coordinate with charter schools

15   in panel investigations and evaluations of charter

16   schools;

17   (12)   Serving as the conduit to disseminate communications

18   from the panel, the board, and the department to all

19   charter schools;

20   (13)   Determining charter school system needs and

21   communicating those needs to the panel, the board, and

22   the department;

.B. NO. __

1   (14) Establishing a dispute resolution and mediation

2   process; and

3   (15) Upon request by one or more charter schools, assisting

4   in the negotiation of a collective bargaining

5   agreement with the exclusive representative of its

6   employees.

7   SECTION 3. Section 302B-12, Hawaii Revised Statutes is

8 amended to read as follows:

9   "**§302B-12 Funding and finance**. (a) Beginning with fiscal

10 year [2006-2007] 2008-2009, and each fiscal year thereafter,

11 [the office shall submit a request for general fund

12 appropriations for each charter school based upon:] the per

13 pupil funding amount for charter school students shall not be

14 less than the total per pupil amount appropriated in that same

15 year to the department provided that:

16   (1) The sum appropriated shall provide funding for actual

17   and projected enrollment figures in the current school

18   year for each charter school; and

19   (2) [A] The per-pupil amount [for each regular education

20   and special education student, which] shall [be

21   equivalent to the total per-pupil cost based upon

22   average enrollment in] include, but not be limited to,

23   all regular education cost categories, including

1   comprehensive school support services, but excluding

2   special education services, provided that special

3   education services are provided and funded by the

4   department, and [for] shall include all means of

5   financing except [federal funds, as reported in the

6   most recently approved executive budget

7   recommendations for the department; provided that in

8   preparing the budget the executive director shall

9   include an analysis of the proposed budget in

10   relationship to the most recently published department

11   consolidated annual financial report; provided further

12   that the legislature may make an adjustment to the

13   per-pupil allocation for the purposes of this section;

14   and] fringe benefit costs, debt service, and federal

15   funds.

16   [(3) Those fringe benefit costs requested shall be included

17   in the department of budget and finance's annual

18   budget request. No fringe benefit costs shall be

19   charged directly to or deducted from the charter

20   school per-pupil allocations unless they are already

21   included in the funds distributed to the charter

22   school.

.B. NO. __

1   [~~The legislature shall make an appropriation based upon~~

2   ~~the budget request; provided that the legislature may make~~

3   ~~additional appropriations for fringe, workers' compensation, and~~

4   ~~other employee benefits, facility costs, and other requested~~

5   ~~amounts.~~

6   ~~The governor, pursuant to chapter 37, may impose~~

7   ~~restrictions or reductions on charter school appropriations~~

8   ~~similar to those imposed on other public schools.~~]

9   (b)   Beginning with fiscal year 2008-09, and for each

10   fiscal year thereafter, a facilities funding amount for charter

11   school students shall be appropriated provided that:

12   (1)   The sum appropriated shall provide funding for actual

13   and projected enrollment figures in the current school

14   year for each charter school;

15   (2)   The amount appropriated to the office shall be equal

16   to the department's debt service appropriation divided

17   by the department's actual enrollment in that school

18   year; and

19   (3)   No less than eighty percent of the amount appropriated

20   shall be allocated by the office to start-up charter

21   schools on a per pupil basis provided that the funds

22   remaining shall be allocated to charter schools with

1   facilities needs as recommended by the office and

2   approved by the panel.

3   (c) Beginning with fiscal year 2008-09, and for each

4 fiscal year thereafter, the office shall submit a request for

5 capital improvement project funding based on a prioritized

6 matrix of projects approved by the panel.

7   (d) Fringe benefit costs for charter school employees,

8 regardless of the payroll system utilized by a charter school,

9 shall be included in the department of budget and finance annual

10 budget appropriation. Fringe benefit costs paid directly by a

11 charter school to a payroll system provider shall be reimbursed

12 by the department of budget and finance to the charter school on

13 a quarterly basis. No fringe benefit costs shall be charged

14 directly to or deducted from the charter school per pupil

15 allocations.

16   (e) The legislature shall provide funding for charter

17 schools based upon the requirements of section 302B-12(a) and

18 (b); provided that the legislature shall make additional

19 appropriations for fringe, workers' compensation, other employee

20 benefits, and facility costs. The legislature may make

21 additional appropriations for other requested amounts that

22 benefit charter schools.

.B. NO. __

1 The governor, pursuant to chapter 37, may impose

2 restrictions or reductions on charter school appropriations

3 similar to those imposed on other public schools.

4   [(b)] (g) Charter schools shall be eligible for all federal

5 financial support to the same extent as all other public

6 schools. The department shall provide the office with all

7 state-level federal grant proposals submitted by the department

8 that include charter schools as potential recipients and timely

9 reports on state-level federal grants received for which charter

10 schools may apply or are entitled to receive. Federal funds

11 received by the department for charter schools shall be

12 transferred to the office for distribution to charter schools in

13 accordance with the federal requirements. If administrative

14 services related to federal grants and subsidies are provided to

15 the charter school by the department, the charter school shall

16 reimburse the department for the actual costs of the

17 administrative services in an amount that shall not exceed six

18 and one-half per cent of the charter school's federal grants and

19 subsidies.

20   Any charter school shall be eligible to receive any

21 supplemental federal grant or award for which any other public

22 school may submit a proposal, or any supplemental federal grants

23 limited to charter schools; provided that if department

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1   administrative services, including funds management, budgetary,

2   fiscal accounting, or other related services, are provided with

3   respect to these supplemental grants, the charter school shall

4   reimburse the department for the actual costs of the

5   administrative services in an amount that shall not exceed six

6   and one-half per cent of the supplemental grant for which the

7   services are used.

8   All additional funds generated by the local school boards,

9   that are not from a supplemental grant, shall be held separate

10 from allotted funds and may be expended at the discretion of the

11 local school boards.

12   [(c)] (h) To enable charter schools to access state funding

13 prior to the start of each school year, foster their fiscal

14 planning, and enhance their accountability, the office shall:

15   (1) Provide fifty per cent of a charter school's per-pupil

16   allocation based on the charter school's projected

17   student enrollment no later than July 20 of each

18   fiscal year; provided that the charter school shall

19   have submitted to the office a projected student

20   enrollment no later than May 15 of each year;

21   (2) Provide an additional forty per cent of a charter

22   school's per-pupil allocation no later than

.B. NO. __

1   November 15 of each year; provided that the charter

2   school shall have submitted to the office:

3   (A)   Student enrollment as verified on October 15 of

4   each year; provided that the student enrollment

5   shall be verified on the last business day

6   immediately prior to October 15 should that date

7   fall on a weekend; and

8   (B)   An accounting of the percentage of student

9   enrollment that transferred from public schools

10   established and maintained by the department;

11   provided that these accountings shall also be

12   submitted by the office to the legislature no

13   later than twenty days prior to the start of each

14   regular session; and

15   (3)   Retain the remaining ten per cent of a charter

16   school's per-pupil allocation no later than January 1

17   of each year as a contingency balance to ensure fiscal

18   accountability;

19   provided that the panel may make adjustments in allocations

20   based on noncompliance with federal and state reporting

21   requirements, the office's administrative procedures, and board-

22   approved accountability requirements.

.B. NO. __

1   [(d)] (i) The department shall provide [appropriate]

2   transitional resources to a conversion charter school for its

3   first year of operation as a charter school based upon the

4   department's allocation to the school for the year prior to the

5   conversion.

6   [(e)] (j) No start-up charter school or conversion charter

7   school may assess tuition.

8   SECTION 4. Statutory material to be repealed is bracketed

9   and stricken. New statutory material is underscored.

10

11   INTRODUCED BY: _____

12   BY REQUEST

Charter School Administrative Office
1111 Bishop Street, Suite 516
Honolulu, Hawaii 96813
Tel: 586-3775   Fax: 586-3776

Date: January 15, 2008

To: Senate Education Committee
       Senator Norman Sakamoto, Chair

To: House Education Committee
       Representative Roy Takumi, Chair

From: Reshela DuPuis, Executive Director
       Bob Roberts, Chief Financial Officer
       Charter School Administrative Office

Subject: Public Charter Schools Budget Proviso Workgroup
         Response to BOE Minority Report

Aloha kākou,

Mahalo for this opportunity to respond to the Board of Education (BOE) Minority Report, which is appended to the Public Charter Schools Budget Proviso Workgroup's recommendations for amendments to HRS 302B.

The Charter Schools Administrative Office (CSAO) is pleased that the Board supports the intent of the Workgroup's recommendations for an equitable charter school funding formula and, in particular, their support of the concept that both the charter school system and the regular public school system be funded on a basis that provides equal per-pupil amounts. The CSAO also is pleased that the BOE has agreed to use the department's debt service appropriation as the basis to provide a facilities funding amount to start-up charter schools.

The CSAO disagrees, however, with the Board's position with respect to excluding additional programs from the operating funding base for charter schools. Specifically, the Board's Minority Report argues that the per-pupil (operating funds) formula should exclude funding for adult education, trust funds, special funds and revolving funds. However, the CSAO objects to excluding these funds because, for each of the other funding-source categories where there is

agreement regarding exclusion from the formula, there also is a specific and logical reason for making such an exclusion, i.e., 1) federal funds are excluded because the department is required by federal law to apportion federal funds among all public schools including charter schools; 2) special education is excluded because the department has the ultimate responsibility for providing special education services to all public school special education students in the state, including special education students attending charter schools; 3) fringe benefit costs are excluded because, with the new language, the charter schools will either not pay or be reimbursed quarterly by B&F for their fringe benefit costs; and 4) debt service is excluded because the Workgroup recommends that it will now be used as the basis for appropriating facilities funding for charter schools.

The same argument cannot be made for excluding the other funding categories proposed by the BOE. For example, the Board proposes to exclude adult education funding from the formula. However, the Department includes the costs associated with their delivery of adult education in their per-pupil funding request and then distributes it only to those schools through which it delivers such services. While public charter schools, like most other individual DOE schools, are not required to provide the same structured adult education programs as do selected DOE schools, in fact many charter schools do offer community-based adult education services that are similar in intent, and sometimes in content, to those adult education programs the DOE provides in a limited number of Department schools. The adult education services provided by some charter schools include adult literacy in both English and Hawaiian, and assistance with second-language learner instruction for adult community members.

Further, the Board's position seems to suggest that a program-by-program analysis should be the basis for the funding formula and that only those *exactly-similar* programs operated by both the department and the charter schools be used as a basis for funding charter schools. However, the CSAO contends that the Legislature never intended that charter schools exactly duplicate the department's educational programs. Instead, the charter schools were created to offer alternative, locally-designed and community-determined curriculum and programs. Importantly, charter schools deliver educational services to their communities that are both different from and complementary to the traditionally-structured programs provided by the department. If the department's argument to exclude adult education funding from the formula succeeds, then the charter schools likely would argue that the Legislature also should specifically fund those programs provided by the charter schools that are not offered by the department. In addition, we remind the Board and the Department that some EDN 150 services, funding for which is excluded from the funding formula and which the Department thus is obligated to provide to Charter Schools under both this and previous funding formulas, historically have not, in fact, been offered on an equitable and reasonable basis to all charter schools. This has created a situation wherein charter schools seeking to provide to their communities these specific EDN 150 services must pay for those services out of their regular per-pupil funding.

In general, however, we believe that miring the per-pupil funding formula discussions in such program-by-program and service-by-service analysis will not serve the public's reasonable interests in a simplified funding formula for all public education, nor would such an analysis accurately provide truly equitable funding for both public school systems. Thus, The CSAO respectfully proposes that all sources of funding not specified in the Workgroup's

recommendation be included in the per-pupil funding formula for charter schools on an equal basis with DOE schools.

With respect to the department's argument to exclude trust, special and revolving funds from the formula, the Workgroup requested that the Department provide evidence that these programs, which are listed in the department's budget, are funded entirely with non-state funds. The department never provided the requested support for their position. Even without this documentation, the Workgroup discussed the position of the Board with respect to excluding these funds. However, because the department did not demonstrate that these various sources of funding were made up entirely from non-state funds, the Workgroup rejected the proposal to exclude funds appropriated within the department's budget for these programs.

Mahalo for your consideration of our response to the Board's Minority Report. We will be glad to answer any questions you may have or provide additional data as requested.

Board of Education Minority Report for the Funding Formula Workgroup

The Board of Education agrees with intent of the proposed formula for charter school funding. We believe that students in charter schools should receive the same amount per pupil as the students in department of education schools. We agree that all state general funds appropriated for regular education students in K-12 schools, should also be available to charter schools. We agree that appropriations for fringe benefit costs, debt services and special education shall be excluded from the per pupil amount. It is agreed that fringe benefit costs shall be included in the department of budget and finance allocation and that charter schools shall not pay for fringe benefits. We also agree that debt services be excluded from the regular appropriation and that those funds shall be included in a facilities fund appropriation for start up charter schools as described in our report. Special education services are provided by the department at no cost to charter schools.

However, there are some recommendations that we could not concur with. First, we cannot agree to including adult education funds in formulating the per pupil amount for the budget request for charter schools. Adult education, which is included in the department's budget be excluded from formulating a per pupil amount for the departments budget request. General fund appropriations for adult education are those funds used for department compliance with HRS302A-435. These programs must be offered for free for literacy education, diplomas and citizenship. Charter schools are not mandated to provide adult education. All other programs offered to adults are funded with fees collected and deposited in a special fund. Many of the department schools and charter schools provide free classes for using their school funds.

The second area of disagreement is the source of funds in the department's budget. We agree that federal funds shall excluded as those funds which charter schools are entitled to under federal requirements must be distributed to charter schools. It is our position

that all trust funds, special funds and revolving funds be excluded from the formula. The sources of these funds are typically derived from fees, grants, donations and reimbursements. In other words, they are not general fund tax dollars set aside for the department. They are reported in the budget as sources of funds for programs in the same way that general funds and federal funds are reported. For example, the school lunch program is reported as being funded with general funds, special funds (in the form of fees collected), and federal funds. If charter schools receive those same funds in their per pupil allocation, and then charge for school lunch, they are actually receiving more per pupil for school lunch than a department student receives. This may create inequities in funding.

Currently the Department's budget request includes a general fund appropriation for Minor Repair and Maintenance. This year the total per pupil amount is $173.00. However, as conversion charter schools are provided facilities at no cost and have repair and maintenance services provided by the department in the same manner they are provided to all department schools, those per pupil facilities funds for repair and maintenance shall be transferred back to the department from those conversion charter schools.

We agree that a per pupil amount for facilities should be based on no less than the equivalent total per pupil of the debt services budget for the department. Of this total amount, 80% shall be distributed to the start up charter schools on a per pupil basis and the remaining 20% be set aside for the charter schools to apply for CIP type funding. A fair and balanced CIP process should be developed and more sources of funding proposals must be explored and developed. We agree that the facilities funding issues are very complex and require more study by a larger group with more expertise.

The language in the proposed legislation is different form the work group. We have language requiring budget submittal by the office. We believe that the work group legislation may be unduly binding a future legislature, which may not be legal. If you

find the work group bill to be legal, we only request exclusion of the trust funds, revolving funds and special funds be excluded from the funding sources. And that any CIP budget language be removed until this issue be further explored by another group.