



DAVID Y. IGE
GOVERNOR

STACIE A. ALDRICH
STATE LIBRARIAN

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

HOUSE COMMITTEE ON FINANCE

**Tuesday, April 3, 2018
10:30 a.m.
Conference Room 308
State Capitol**

**By
Stacey A. Aldrich
State Librarian**

S.B. 2919, S.D.2 H.D.1 – Relating to Public Libraries

To: Chair Luke, Vice-Chair Cullen and Members of the Committee on Finance

Senate Bill (S.B.) 2919, S.D.2 H.D.1 establishes a pilot program to generate revenue through the leasing of public library land, establishes a libraries facilities fund and makes an unspecified appropriation for the pilot program. The Hawaii State Public Library System (HSPLS) supports the intent of S.B. 2919, S.D.2 H.D.1 and provides the following comments.

In general, the HSPLS supports the intent to identify revenue generating programs to meet the mission of the public library system. The HSPLS notes, however, that it currently does not hold title to the lands under which the public libraries sit, nor that it has the expertise necessary to guide the HSPLS through a pilot program which involves the redevelopment, and leasing and management of library lands. Although unspecified at this time, the HSPLS appreciates and supports the provision for an appropriation which would to allow HSPLS to hire expertise to assist with land development issues.

HSPLS respectfully requests the Committee's consideration of the following amendments:

- Subsection (b) to include the State Librarian or a designee as a participant in the process to identify and select potential public library sites for the pilot program
- Page 4, line 21 to broaden the use of the libraries facilities fund proceeds by replacing the word "programs" with "operations" to allow for greater flexibility.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE
GOVERNOR



LAUREL A. JOHNSTON
DIRECTOR

KEN N. KITAMURA
ACTING DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

**TESTIMONY BY LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2919, S.D. 2, H.D. 1**

**April 3, 2018
10:30 a.m.
Room 308**

RELATING TO PUBLIC LIBRARIES

Senate Bill (S.B.) No. 2919, S.D. 2, H.D. 1, amends Chapter 312, HRS, by adding a new section to establish a pilot program for the lease of public library land, including facilities. The measure specifies that the State Librarian, in consultation with the Board of Education (BOE) and any other appropriate agency, serves as the facilitator of the pilot program. The measure also specifies that the BOE may lease public library land on terms it deems appropriate, including a leaseback of all or a portion of the improvements constructed.

S.B. No. 2919, S.D. 2, H.D. 1, also establishes the Library Facilities Fund and provides that all proceeds from the leases, permits, interest income generated from public library lands, and other revenues generated from the nonpermanent disposition of public library lands, including facilities, shall be deposited into the fund. The measure provides that all moneys in the Libraries Facilities Fund shall be for State Library programs. In addition, the measure makes unspecified appropriations of general funds for FY 19 for the pilot program and for the hiring of experts in land development issues

to be expended by the Hawai'i State Public Library System. Also, the effective date of the measure has been amended to July 1, 2021.

With regards to S.B. No. 2919, S.D. 2, H.D. 1, we offer the following comments. The measure is unclear if the Library Facilities Fund is being established as a special fund. The Department of Budget and Finance, as a matter of general policy, does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to S.B. No. 2919, S.D. 2, H.D. 1, it is difficult to determine if the proposed (special) fund would be self-sustaining.

Thank you for your consideration of our comments.

SB-2919-HD-1

Submitted on: 4/2/2018 9:57:13 AM

Testimony for FIN on 4/3/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:



BEFORE THE HOUSE COMMITTEE ON FINANCE

Hawaii State Legislature
April 3, 2018

Senate Bill 2919 SD2
Relating to Public Libraries

Aloha Chair Luke, Vice Chair Cullen and Members of the Committee,

The Ka Lāhui Hawaii Political Action Committee (KPAC) opposes Senate Bill 2919 SD2 which creates a pilot program to generate revenue through the lease of public library lands (which are “public lands”) to meet the mission of the public libraries. KPAC opposes this measure for the following reasons:

1. It is the State’s responsibility to adequately fund public libraries and not the individual libraries to fund raise through the leasing of public lands.
2. Utilizing public educational facilities like libraries for corporate development could set a dangerous precedent.
3. The lease of public lands (which the public libraries) sits on is contrary to its intended purpose as detailed below and could also potentially be determined to be a breach of trust.

By way of background, Professor Williamson Chang of the UH Law School has detailed his analysis that the Joint Resolution was incapable of acquiring Hawai‘i at http://blog.hawaii.edu/aplpj/files/2015/09/APLPJ_16_2_Chang.pdf. Despite this analysis, the former Crown and government lands of the Kingdom of Hawai‘i were illegally transferred to the US and as a condition of Statehood was transferred to the State of Hawaii to be held as a public trust for 5 purposes including the betterment of the conditions of native Hawaiians as defined in the Hawaiian Homes Commission Act, 1920. The Admissions Act further states that any other object besides the 5 purposes shall constitute a breach of trust for which suit may be brought by the United States. The Article XII Constitutional provisions further establish that the lands are held as a public trust for native Hawaiians as defined in the Hawaiian Homes Commission Act, 1920 and should be used solely for that purpose.

The Ka Lāhui Hawai‘i Political Action Committee (KPAC) affirms and defends our Hawaiian peoples' right to over 1.8 million acres of our national lands.

Respectfully submitted,

M. Healani Sonoda-Pale
Chair, KPAC

LATE

SB-2919-HD-1

Submitted on: 4/2/2018 3:35:17 PM

Testimony for FIN on 4/3/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Ward	Individual	Oppose	No

Comments:

Please vote against this bill. Please do not concession the land abutting the library. This is public land, and monetizing it will devalue the impaortant historic context. Mahalo!

LATE

SB-2919-HD-1

Submitted on: 4/2/2018 4:07:36 PM

Testimony for FIN on 4/3/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bianca Isaki	Individual	Oppose	Yes

Comments:

Aloha Committee members,

Please reject SB2919 SD2. Libraries are one of the few truly public spaces left. Encroaching on library space and lands with commercial activities is wholly inappropriate and may have the effect of increased harassment of vulnerable communities who rely on public library resources.

Yours truly,

Bianca Isaki

LATE

SB-2919-HD-1

Submitted on: 4/2/2018 9:26:21 PM

Testimony for FIN on 4/3/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Marshall	FEED THE STREET and KaLahui Political Action Committee	Oppose	Yes

Comments: