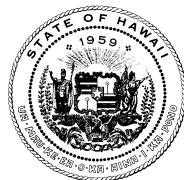


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HOUSE COMMITTEE ON FINANCE
Thursday, February 25, 2019
2:00 pm
State Capitol, Room 308

By Stacey A. Aldrich
State Librarian

H.B.1525 H.D.1 Relating to the Hawaii State Public Library System Budget

To: Chair Sylvia Luke
Vice Chair Ty J.K. Cullen
Members of the House Committee on Finance

The Hawaii State Public Library System (HSPLS) **strongly supports** H.B. 1525 H.D.1, which proposes additional funding to the base operating budget for HSPLS, to meet its mission to nurture a lifelong love of reading and learning through our staff, collections, programs, services and physical and virtual spaces.

HSPLS' base operating budget for Fiscal Budget 2019-2021 is comprised of \$37,183,289 and \$37,253,791 in general funds, respectively; \$1,365,244 in federal Library Service and Technology Act (LSTA) funding; and the authority to spend up to \$4,000,000 in special funds. Additional funding requested in H.B. 1525 supports HSPLS' mission, operations and public library services.

FB 2019-2021 Budget Request: The additional funding requested by HSPLS focuses on three areas: people, place, and collections.

People

Eighty percent of the HSPLS general fund dollars are dedicated to statewide personnel costs to enable over 500 people to keep our 51 branches and administrative support offices functioning and open to the public.

- Librarian III Position. This position is necessary for the planned expansion of the Naalehu Public Library and to provide adequate staff coverage for the Pahala Public and School Library. Pahala Library was closed 35 days to the community last fiscal year, and already has been closed 29 days in this fiscal year. Unfortunately, due to the staffing levels on Hawaii Island and logistics, often times we are not able to temporarily move staff from another location on short-notice to keep Pahala open. Without this position, we will continue to struggle to keep this library open for this community that values access to the library.

The Naalehu and Pahala Public and School Library configuration is unique in our public library system. The Naalehu Librarian IV (branch manager) oversees both branches; altogether, there are only four positions (plus one janitor), including the Librarian IV branch manager, to run both branches.

If a person is ill or out of the library, the manager shifts staffing when they can, in order to keep both libraries open. Sometimes, this means having only one staff member in a branch just to keep it open. With the additional requested position, there will be an additional staff member to ensure that there are enough people to consistently keep both libraries open. Additionally, the communities of Naalehu and Pahala will have access to more programs and resources that are currently not available due to the inconsistent public service schedule.

At this time, we do not have a specified schedule for the splitting of this position for two reasons: (1) the use of staff between the two branches will depend on need; and (2) Naalehu is still in the preconstruction phase of its planned expansion project.

- 1.0 Librarian III Position. This position will be responsible for managing a new Oahu Bookmobile. A professional level position is required to plan, schedule, and deliver services and programs to different communities, such as the Makiki community, daycare centers, schools, low-income housing, and senior centers.

Place

Twenty percent of our general fund budget is used to keep our facilities safe and operational.

- \$17,000 for Operations of the New Nanakuli Library. The original appropriation amount for operations of this library was \$4,000. After six months of being open, and an analysis of the actual operating costs, we determined an additional \$17,000 in funding is needed to maintain operations for this new library. The additional funding will cover postage, telephone service, trash service, equipment maintenance, and supplies.
- \$522,942 Additional Funding for Security Services. We currently have security guards in 39 of our 51 public library branches. The security guards are present to provide protection of State property and the personal safety of the library patrons and staff during public service hours, and sometimes when our libraries are closed. Additional funds are needed to provide for cost increases, including pay increases, additional libraries needing security services, an increase in hours of services needed at some public libraries, the need for additional night monitoring when we are experiencing surges in destructive behavior around our facilities, and the addition of towing services for vacated vehicles.

- \$450,000 for an Oahu Bookmobile. This funding will support the purchase a new high-tech bookmobile to provide services to under-served communities on Oahu. An Oahu Bookmobile will enable us to expand our services to the Makiki community as we look at the kinds of services that are needed after their all-volunteer library closed in June 2018, and at the same time have an opportunity to provide services to daycare centers, schools, low-income housing, and senior centers.

The bookmobile enables us to: 1) remove an access barrier for patrons who cannot visit one of our branch libraries; and 2) create a cost-efficient method for the library to provide services beyond a building. The annual cost to run our smallest branch is about \$146,000 a year, while the annual cost to operate our bookmobile on Maui is only about \$104,000. We can reach more people without the expenses of managing a building, and the cost of the collection is lower because materials can be shared from existing branch collections.

The Oahu Bookmobile will mean more access for more people to all of the resources of a public library. The new bookmobile includes Internet access through wifi, books and magazines, and programs that bring communities together to learn and grow.

Collections

Collections are a core service and are vital for creating opportunities for our communities to have access to the resources they need to be successful.

- \$3,000,000 for Library Collections. The Hawaii State Public Library System continues to face the challenges of a growing library system (now 51 branches), increasing costs of titles in multiple formats, and the need to provide more access to digital collections that are accessible from all of our islands. This

funding request is to increase our base budget for collections to \$3,250,000 to ensure equitable access for all of our patrons statewide.

The current collection has been supported by Special Funds, which are the fines and fees charged to patrons for overdue, damaged and lost materials, fees charged for DVDs and meeting room rentals. Revenue in general has continued to decline, in large part due to changes in library patron behavior and improving services for patrons. For example, the rental of DVDs, has declined due to more streaming of digital content by patrons. In FY2014, DVD revenue was \$626,895.84. In FY2018, DVD revenue dropped to \$391,100.14. Fines and fees have begun to decline due to patrons' ability to use the Libraries Hawaii App to use as a library card and track when materials are due, thereby reducing the number of late-returned materials.

At the same time as revenue has decreased, library patrons continue to request more copies of library materials in digital format, which increases the cost of purchasing and maintaining our library collection, as we are now maintaining paper, digital and audio copies to meet all of our library patrons' needs. Providing access to electronic collections is expensive, but it also enhances our ability to provide access to the same resources for patrons through all 51 branches across six islands, instead of requiring the purchase of multiple physical copies for every branch.

The following is an example of the cost to purchase one title in multiple formats. It demonstrates the change in the purchasing structure from 20 years ago when libraries only needed to purchase physical copies.

TITLE	COST		
	Format	List Price	Discounted Price*
Count to Ten by James Patterson	Paper	\$35.00	\$21.22
	Digital (ebook)	\$48.00	
	Audio (eaudio)	\$47.99	
	TOTAL	\$117.21	

**HSPLS receives discounts for purchasing multiple copies.*

Digital content has a different cost structure, directly affecting our ability to acquire and maintain the digital collection used by our library patrons. When we pay for digital content we are only leasing copies of the material. Publishers have differing thresholds of when we must pay more to continue access to the publication; in other words, the cost of keeping the most popular publications that library patrons want, in our collection, will continuously rise.

We are seeking alternatives for increasing revenue, but a consistent base level of funding ensures we can continue to provide library patrons with the titles, materials and information resources that they need. A consistent base also enables us to look for new ways to remove barriers to access to our collections and materials for children and families, because we will not have to rely on fines to be one of the key sources of revenue for our budget.

- \$240,000 to implement RFID technology. Funding would allow us to expand use of RFID technology into the libraries that would most benefit immediately, including our highest circulating library branches in FY2020 and FY2021. The new Nanakuli Public Library is the first library to have RFID technology to manage a branch collection more efficiently and effectively.

RFID tags are placed in every book and those tags are used to check-out materials at the circulation desk and self-check machines. The system provides a

check-out process with amazing speed, provides security for materials by interacting with gates as patrons leave, and enables staff to do inventories by using a simple device to scan the shelves. The requested funding will allow HSPLS to begin to integrate RFID technology by adding the technology to the libraries that would most benefit immediately, including our highest circulating library branches in FY2020 and FY2021. The cost includes all of the equipment, maintenance agreements, and RFID tags for additional libraries for each fiscal year.

Thank you for the opportunity to present our requested budget information to your committee.

LATE

HB-1525-HD-1

Submitted on: 2/24/2019 1:00:14 PM

Testimony for FIN on 2/25/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB1525. With all the misinformation running rampant on the internet, libraries are becoming a much more important source of information. Recent events have shown that it is no exaggeration to say that protecting libraries is an important step to maintaining our democracy.

Thank you for the opportunity to present my testimony.

Sincerely,

Andrea Quinn

Kihei