



**Council Date: June 2, 2009**

**SUBJECT: Authorization to Allocate FY 2008/09 State Public Library Foundation Monies, and Approve Budget Modification No. 33**

**REPORT IN BRIEF**

Since 1984, the State has funded a grant program for public libraries. This funding is an ongoing project to augment, not supplant, local funding for library services. Appropriations made by the State on a per capita basis may fluctuate depending on the annual legislative process. The grant for FY 2008/09 is \$46,830 and staff recommends that Council accept the \$46,830 grant and approve the appropriation of new funds in support of activities related to improvements to library services.

**BACKGROUND**

In 1982, the State Legislature adopted State Education Code 18010-18013 which are Sections of Chapter 1.5 Public Library Finance, providing State funding to support public libraries. This chapter calls for continuing support each subsequent year, based on the availability of State funds with an allocation formula set by the State. State Education Code 18024-18025 establishes the Public Library Foundation in the State Treasury and further stipulates that State funds provided under this chapter shall supplement, not supplant, local revenues appropriated for the public library. In order to be eligible for these State funds, the total amount of local library revenues appropriated for that fiscal year must be equal to at least the total amount from the previous fiscal year. The Sunnyvale Library has received \$2,167,975 in Public Library Foundation funds since the beginning of the program.

To date, the Public Library Foundation has never been fully funded by the State Legislature. The highest funding for the Public Library Foundation was in FY 1999/00 and FY 2000/01 when \$56.8 million was allocated each year. Since then, Public Library Foundation funding has declined to less than \$13 million per year. Once as high as \$1.68 per capita in FY 1999/00, it is now at an all time low of \$0.34 per capita in FY 2008/09. The FY 2009/10 State budget maintains Public Library Foundation funding at the FY 2008/09 funding level. If fully funded by law, the Library would have been awarded \$386,069 in FY 2008/09.

Each year, the Library proposes a spending plan for these funds taking into account Council priorities, new Library initiatives, and special projects.

**EXISTING POLICY**

The 2008 Legislative Action Policies of the City Council state support for this program in Section 6.2.1, "Support full funding for the State Public Library Fund." This statement was removed from the 2009 Legislative Action Policies, pending its transition to long-term City policy.

**DISCUSSION**

The Library seeks authorization to allocate \$46,830 in new State Public Library monies in FY 2008/09 for use in the special projects described below which are not currently funded by the General Fund, but which will improve the efficiency and effectiveness of library services:

**New Funds – FY 2008/09**

**ITEMS**

\$46,830 Improvement to Library Services  
Improve the effectiveness of library services by making technology, facility and process enhancements. Technology enhancements may include online resources such as online homework help, podcasts and screencasts. Facility enhancements may include new furniture, display units and audiovisual enhancements to the Library program room. Process improvements may include temporary staffing and supplies to assist with the equipping of all library materials with radio frequency identification tags.

**\$46,830 Total Request for Allocation**

**Existing State Public Library Foundation Funds**

The City Council previously authorized the use of Public Library Foundation funds for the following multi-year projects: Library of the Future, Collections, Inform the Community about Library Resources, Staff Development, Improvements to Library Services, and Children's Section Renovations. Public Library Funds are budgeted in Special Project 805150 Library Foundation Program Grant in the City's General Fund. There is a current budget of \$140,511 in the FY 2008/09 Library Foundation Program Grant's budget. Use of these funds through the current accounting period leaves a remaining balance of \$103,000. The remaining balance will be expended in accordance with previously approved Council expenditure categories, and unspent funds will be carried over to subsequent years. The categories which will have remaining funds to carry over into FY 2009/10 include Collections, Inform the Community about Library Resources, Staff Development, and Improvements to Library Services.

**FISCAL IMPACT**

Each fiscal year, the State Librarian requests verification of eligibility to receive State funds and certifies the population of each jurisdiction to receive State Public Library Fund monies. The current level of State Public Library Fund monies has brought Sunnyvale’s allocation of funds to \$46,830 for FY 2008/09. These revenues can only be used to supplement, not supplant local revenues for basic library services. Staff proposes a budget modification to add these funds to the 805150 Library Foundation Program Grant special project in the City’s General Fund and to spend these funds for the purposes described in the discussion section of the report. Since these are multi-year projects, staff has strategically expended funds and a significant amount of Public Library Fund resources will be carried forward into FY 2009/10.

**BUDGET MODIFICATION NO. 33  
 FISCAL YEAR 2008/09**

<u>General Fund</u>	<u>Current</u>	<u>Increase (Decrease)</u>	<u>Revised</u>
<u>Revenues:</u>			
State Public Library Fund Grant	\$0	\$46,830	\$46,830
<u>Expenditures:</u>			
Library Foundation Program Grant Project #805150	\$140,511	\$46,830	\$186,341

**PUBLIC CONTACT**

Public Contact was made through posting of the Board of Library Trustees agenda on the City’s official-notice bulletin board, on the City’s Web site, and the availability of the agenda and report in the Office of the City Clerk.

**ALTERNATIVES**

1. Council approves Budget Modification No. 33 in the amount of \$46,830 and the expenditure of State Public Library Funds for use in the following special project category: Improvements to Library Services.
2. Council recommends alternative expenditure of funds.

**RECOMMENDATION**

At their May 4, 2009 meeting, the Board of Library Trustees voted unanimously to recommend to Council Alternative 1 which approves Budget Modification No. 33 in the amount of \$46,830 and the expenditure of State Public Library Funds for use in the following special project category: Improvement to Library Services.

Staff recommends Alternative 1. Public Library Foundation funds are strategically expended to make improvements to library services in ways which

will supplement, not supplant, the Library's operating budget provided through the General Fund.

Reviewed by:

Lisa Rosenblum, Director, Libraries  
Prepared by: Steve Sloan, Administrative Librarian

Reviewed by:

Mary Bradley, Director, Finance

Approved by:

Gary M. Luebbers  
City Manager

**Attachments**

A. Draft Board of Library Trustees Meeting Minutes of 5/4/09

# Attachment A

2. Draft RTC: Authorization to Allocate FY 2008/09 State Public Library Foundation Monies, and Approve Budget Modification No. 33:  
Administrative Librarian Denniston provided an overview of the draft RTC.  
Staff answered questions regarding expenditures for special project category: Improvements to Library Services.

Chair Griffith opened the public hearing and there being no public testimonies, closed the public hearing.

**Boardmember Pathak moved, and Vice Chair Lilly seconded, to recommend to Council alternative 1 which approves Budget Modification No. 33 in the amount of \$46,830 and the expenditure of State Public Library Funds for use in the following special project category: Improvements to Library Services. Motion carried unanimously.**

3. National Library Week Feedback:

Administrative Librarian Denniston thanked Boardmembers for their participation in National Library Week. Boardmembers shared comments they received regarding customer service from various service desks.

Chair Griffith opened the public hearing and there being no public testimonies, closed the public hearing.

4. Health & Safety Fair – May 30, 2009:

Administrative Librarian Denniston informed the Board that the Health & Safety Fair is scheduled for Saturday, May 30 from 11 a.m. to 3 p.m. at the Columbia Neighborhood Center. Library staff will be on-site providing program flyers, booklists and promotional library items. Boardmembers signed up for two-hour time slots.

Chair Griffith opened the public hearing and there being no public testimonies, closed the public hearing.

### **NON-AGENDA ITEMS AND COMMENTS**

- **BOARDMEMBERS OR COMMISSIONERS ORAL COMMENTS**

Boardmember Miller provided the Board with an overview of the Library Issues Breakfast she attended with Chair Griffith and Director Rosenblum on Saturday, April 25 in Menlo Park.

Chair Griffith mentioned that the San Jose Public Library system will be reducing operating hours at various branch libraries due to their budget deficit.