

**Council Meeting: June 15, 2010****SUBJECT: Approval of Budget Modification No. 27 to Appropriate State Public Library Foundation Monies.****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 2009/10 is \$49,171 and staff recommends that Council 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 \$2,217,146 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 2009/10. The FY 2010/11 State budget maintains Public Library Foundation funding at the FY 2009/10 funding level. If fully funded by law, the Library would have been awarded \$411,619 in FY 2009/10.

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 Council Policy Manual states support for this program in Section 6.2.1 A, "Support full funding for the State Public Library Fund."

DISCUSSION

The Library seeks authorization to allocate \$49,171 in new State Public Library monies in FY 2009/10 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 2009/10

\$49,171 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 podcasts and screencasts. Facility enhancements may include new furniture, display units and audiovisual enhancements to the Library program room. Process improvements involves making modifications to existing processes for increased productivity and efficiency.

\$49,171 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 \$163,511 in the FY 2009/10 Library Foundation Program Grant's budget. Use of these funds through the current accounting period leaves a remaining balance of \$158,906. 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 2010/11 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 \$49,171 for FY

2009/10. 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 2010/11.

**BUDGET MODIFICATION NO. 27
FISCAL YEAR 2009/10**

General Fund	Current	Increase (Decrease)	Revised
<u>Revenues:</u>			
State Public Library Fund Grant	\$0	\$49,171	\$49,171
<u>Expenditures:</u>			
Library Foundation Program Grant Project #805150	\$163,511	\$49,171	\$212,682

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site. The Board of Library Trustees reviewed the report at their meeting on May 17, 2010.

ALTERNATIVES

1. Council approves Budget Modification No. 27 to appropriate 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 17, 2010 meeting, the Board of Library Trustees voted unanimously to recommend to Council Alternative 1 which approves Budget Modification No. 27 to appropriate State Public Library funds for use in the following special project category: Improvements 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 G. 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 5/17/10

Attachment A



DRAFT MINUTES

SUNNYVALE BOARD OF LIBRARY TRUSTEES MAY 17, 2010

The Board of Library Trustees met in regular session in the Library Staff Conference Room, 665 West Olive Avenue at 7:05 p.m. with Ray Su presiding.

ROLL CALL

PRESENT: Chair Ray Su
Vice Chair Tom Flaherty
Boardmember Narendra Pathak
Boardmember Judi Miller
Boardmember Jill Shanmugasundaram

STAFF PRESENT: Lisa G. Rosenblum, Library Director
Steve Sloan, Administrative Librarian

SCHEDULED PRESENTATION: None.

PUBLIC ANNOUNCEMENTS: Boardmember Pathak shared comments he received regarding the Library's Automated Handling System while attending a cultural event on Saturday, May 18.

CONSENT CALENDAR:

1) Approval of Draft Minutes of 4/5/10

Boardmember Pathak moved, and Boardmember Miller seconded, approval of the consent calendar as presented. Motion carried 3-0 with Boardmember Shanmugasundaram abstaining due to her absence of the April meeting.

CITIZENS TO BE HEARD: Friends of the Sunnyvale Public Library President Kathy Broquard thanked Boardmember Shanmugasundaram for attending the book sale on Saturday, May 15 and encouraged the Board to attend the next book sale which will be held on Saturday, July 17.

PUBLIC HEARINGS/GENERAL BUSINESS:

2. Draft RTC: Approval of Budget Modification No. 27 to Appropriate State Public Library Foundation Monies. (Action):
Director Rosenblum provided the Board with an overview of the draft RTC. Staff answered questions regarding existing Public Library Foundation funds.

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

Boardmember Shanmugasundaram moved, and Vice Chair Flaherty seconded, to recommend to Council alternative 1 which approves Budget Modification No. 27 to appropriate State Public Library Funds for use in the following special project category: Improvement to Library Services. Motion carried unanimously.

3. Draft RTC: Approval of Budget Modification No. 30 to Appropriate \$5,000 in federal Library Services and Technology Act (LSTA) Grant Funds through the California State Library (CSL) for *Enhancement for Programming* (Action):
Director Rosenblum provided the Board with an overview of the draft RTC. The funds will be used to enhance the Library Program Room.

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

Boardmember Pathak moved, and Boardmember Miller seconded, to recommend to Council alternative 1 which approves Budget Modification No. 30 to appropriate \$5,000 in Library Services and Technology Act (LSTA) funds for Enhancement for Programming equipment. Motion carried unanimously.

4. Draft RTC: Approval of Budget Modification No. 31 to Appropriate \$1,200 in Sunnyvale Rotary Club Grant Funds for a Laptop Computer for Library Children's Services/Homework Center (Action):
Director Rosenblum provided the Board with an overview of the draft RTC. Library staff will implement a homework center in the fall for school-aged children. Teen volunteers will be recruited to assist as tutors.

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

Vice Chair Flaherty moved, and Boardmember Pathak seconded, to recommend to Council alternative 1 which approves Budget Modification No. 31 to appropriate \$1,200 in Sunnyvale Rotary Club funds for a Laptop Computer for Children's Services. Motion carried unanimously.

5. Draft RTC: Approval of Budget Modification No. 32 to Appropriate \$500 in federal Library Services and Technology Act (LSTA) Grant Funds through the California State Library (CSL) to host children's bilingual program for Día de Los Niños/Día de Los Libros (Action):
Director Rosenblum provided the Board with an overview of the draft RTC.

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

Boardmember Miller moved, and Boardmember Shanmugasundaram seconded, to recommend to Council alternative 1 which approves Budget Modification No. 32 to appropriate \$500 in Library Services and Technology Act (LSTA) funds for Día de Los Niños/Día de Los Libros programming. Motion carried unanimously.

6. Budget Review:

Director Rosenblum provided the Board with an overview of the FY 2010/11 & 2011/12 Library recommended budget. The Library's expenditure reductions include elimination of 6,100 hours in the Library Specialist III (LS3) classification as part of the RFID/Automated Materials Handling (AMH) project. This reduction was achieved through attrition because of a resignation and a retirement, reduction in Casual LS3 hours and elimination of contracted