

**Council Meeting: June 7, 2011****SUBJECT: Appropriation of \$48,041 of FY 2010/11 State Public Library Foundation Monies and Approval of Budget Modification No. 27****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 2010/11 is \$48,041 and staff recommends that Council accept the \$48,041 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 \$2,265,187 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 approximately \$0.30 per capita. The Governor's proposed FY 2011/12 budget eliminates Public Library Foundation funding.

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 \$48,041 in new State Public Library monies in FY 2010/11 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 2010/11

\$48,041 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, screencasts, and mobile apps. Facility enhancements may include improving the teen area and combating regular wear and tear in this heavily-used facility. Process improvements involves making modifications to existing processes for increased productivity and efficiency.

\$48,041 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 \$194,813 in the FY 2010/11 Library Foundation Program Grant’s budget. Funds will be expended judiciously 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 2011/12 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 \$48,041 for FY 2010/11. 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 2011/12.

**BUDGET MODIFICATION NO. 27
 FISCAL YEAR 2010/11**

<u>General Fund</u>	<u>Current</u>	<u>Increase (Decrease)</u>	<u>Revised</u>
<u>Revenues:</u>			
State Public Library Fund Grant	\$0	\$48,041	\$48,041
<u>Expenditures:</u>			
Library Foundation Program Grant Project #805150	\$194,813	\$48,041	\$242,854

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 April 4, 2011.

ALTERNATIVES

1. Council approves Budget Modification No. 27 in the amount of \$48,041 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 April 4, 2011 meeting, the Board of Library Trustees voted unanimously to recommend to Council Alternative 1 which approves Budget Modification No. 27 in the amount of \$48, 041 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 G. Rosenblum, Director, Libraries
Prepared by: Steve Sloan, Administrative Librarian

Reviewed by:

Grace Leung, Director, Finance

Approved by:

Gary M. Luebbers
City Manager

Attachments

A. Board of Library Trustees Meeting Minutes of 4/4/11

Attachment A

operating/project budget, components of a performance based budget, Library Program, expenditures/revenues and Budget Issues. Boardmembers thanked staff for the presentation.

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

4. Draft RTC: Appropriation of \$48,041 of FY 2010/11 State Public Library Foundation Monies and Approval of Budget Modification No. 27:

Administrative Librarian Sloan provided the Board with an overview of the draft RTC. New funds will be allocated to the category of Improvements to Library Services. The category allows staff to improve the effectiveness of library services by making technology, facility and process enhancements.

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

Boardmember Pathak moved, and Boardmember Shanmugasundaram seconded, to recommend to Council alternative 1 which approves Budget Modification No. 27 in the amount of \$48,041 and the expenditure of State Public Library Funds for use in the following special project category: Improvements to Library Services. Motion carried unanimously.

5. Revised Workplan Calendar for 2011:

Administrative Librarian Sloan informed the Board that "Review and Rank Study Issues" has been added to the November Board meeting.

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

NON-AGENDA ITEMS AND COMMENTS

- **FRIENDS OF THE SUNNYVALE PUBLIC LIBRARY ORAL COMMENTS**

President Kathy Broquard noted that the March book sale was successful despite the rain and cold weather.

- **BOARDMEMBERS ORAL COMMENTS**

Boardmember Pathak shared comments he received regarding the variety of children's programs offered and excellent customer service provided by library staff.

Boardmember Miller noted that Library staff attended a recent parent meeting at Vargas Elementary and she thanked staff for their presence at Sunnyvale schools.

- **STAFF ORAL COMMENTS**

Administrative Librarian Sloan noted the following:

- The Pacific Library Partnership Advocacy Breakfast "Celebrating Library Advocacy" is scheduled for May 21, 2011 from 9 a.m. to 11 a.m. at Stanford Park Hotel, 100 El Camino Real, Menlo Park. The speaker will be Senator Joseph Simitian.
- Microfilm holdings have been added to the library catalog. This will be especially helpful for patrons who are researching Sunnyvale history as they will now be able to easily find information about some of the historic newspapers such as Sunnyvale Standard and Sunnyvale Valley Journal.