
Management Audit of the Public Library System

A Report to the
Governor
and the
Legislature of
the State of
Hawaii

Report No. 98-3
January 1998



THE AUDITOR
STATE OF HAWAII

The Office of the Auditor

The missions of the Office of the Auditor are assigned by the Hawaii State Constitution (Article VII, Section 10). The primary mission is to conduct post audits of the transactions, accounts, programs, and performance of public agencies. A supplemental mission is to conduct such other investigations and prepare such additional reports as may be directed by the Legislature.

Under its assigned missions, the office conducts the following types of examinations:

1. *Financial audits* attest to the fairness of the financial statements of agencies. They examine the adequacy of the financial records and accounting and internal controls, and they determine the legality and propriety of expenditures.
2. *Management audits*, which are also referred to as *performance audits*, examine the effectiveness of programs or the efficiency of agencies or both. These audits are also called *program audits*, when they focus on whether programs are attaining the objectives and results expected of them, and *operations audits*, when they examine how well agencies are organized and managed and how efficiently they acquire and utilize resources.
3. *Sunset evaluations* evaluate new professional and occupational licensing programs to determine whether the programs should be terminated, continued, or modified. These evaluations are conducted in accordance with criteria established by statute.
4. *Sunrise analyses* are similar to sunset evaluations, but they apply to proposed rather than existing regulatory programs. Before a new professional and occupational licensing program can be enacted, the statutes require that the measure be analyzed by the Office of the Auditor as to its probable effects.
5. *Health insurance analyses* examine bills that propose to mandate certain health insurance benefits. Such bills cannot be enacted unless they are referred to the Office of the Auditor for an assessment of the social and financial impact of the proposed measure.
6. *Analyses of proposed special funds* and existing *trust and revolving funds* determine if proposals to establish these funds and existing funds meet legislative criteria.
7. *Procurement compliance audits* and other *procurement-related monitoring* assist the Legislature in overseeing government procurement practices.
8. *Fiscal accountability reports* analyze expenditures by the state Department of Education in various areas.
9. *Special studies* respond to requests from both houses of the Legislature. The studies usually address specific problems for which the Legislature is seeking solutions.

Hawaii's laws provide the Auditor with broad powers to examine all books, records, files, papers, and documents and all financial affairs of every agency. The Auditor also has the authority to summon persons to produce records and to question persons under oath. However, the Office of the Auditor exercises no control function, and its authority is limited to reviewing, evaluating, and reporting on its findings and recommendations to the Legislature and the Governor.



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OVERVIEW

THE AUDITOR
STATE OF HAWAII

Management Audit of the Public Library System

Summary

The Hawaii State Legislature requested the Office of the Auditor to conduct a financial and management audit of the Hawaii State Public Library System through Senate Concurrent Resolution No. 171, Senate Draft 1, House Draft 1, Conference Draft 1 of the Regular Session of 1997. This is our report on the management audit.

The state librarian responded to declining general fund appropriations by implementing two reform efforts, Project SLIMMER and reengineering. We found that the state librarian and the Board of Education did not guide these reforms and related contracts effectively.

The state librarian's attempt to seek innovative ways of increasing efficiency of the system is commendable. However, he did not successfully plan and implement the reform efforts, consequently undermining their purpose and goals. One consequence of his poor planning and his management approach is a high level of staff dissatisfaction. We also found that his hasty decisions on reform could have been averted by his higher authority, the Board of Education.

We found that State Library Innovations: A Model for Maximizing Employees and Revenues (Project SLIMMER) failed to achieve its goals of increasing decision-making authority at the individual libraries and did not increase non-general fund revenues as much as intended. The revenues that were raised were not returned to the libraries as the law requires.

Concerning reengineering, we found that the redeployment of staff from non-customer-contact positions to the individual libraries has not demonstrated improved customer service and cost savings. Hastily contracting for services without establishing management controls has undermined performance and increased costs. Cost savings from the Baker & Taylor contract have not been proven. Little provision was made to catalog over \$1 million in new materials. Duplicate, rather than new, titles were purchased with emergency funds because of the huge backlog of uncataloged materials.

We found that staff dissatisfaction with the reform efforts and with the state librarian is widespread. His questionable decisions and concerns about the special assistant position, may be contributing to the dissatisfaction.

Finally, we found that the Board of Education did not meet all its responsibilities for the library system. The board approved the reform projects without sufficient review. It also approved a major outsourcing contract with Baker & Taylor after inadequate review in spite of strong indications that the company would be unable to meet its obligations.

Recommendations and Response

We recommend that the state librarian plan for the future of the library system by identifying the procedural and structural changes that will improve operations. He should plan in comprehensive detail the steps needed to guide any change. Moreover, the state librarian should ensure meaningful input from library staff, establish criteria for enhanced services, and ensure that enhanced services fees go to the libraries. He should ensure more effective planning for library material acquisition, selection, and cataloging. He should also develop management controls to assess whether vendors provide contracted goods and services on a regular basis. He should reconsider personal decisions—such as inviting his wife to key meetings—that can create negative perceptions. In addition, we recommend the Board of Education more closely review (1) major policy and management initiatives of the library system and (2) proposed contracts. The board and state librarian should examine the position of special assistant to ensure that if the position is needed, the resources committed to it are used as productively as possible. The Automation Advisory Group should assess how management information needs can be met.

The Board of Education responded that the audit raises concerns that it will address. The board says it will closely scrutinize all future library system contracts and major initiatives prior to board approval. The state librarian said the nine recommendations in our draft report were sound, reasonable, and already under way. However, he hoped for modifications in the findings and recommendations based on information he provided. We stand by our findings and recommendations with a few modifications to the draft report.

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Submitted by

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Foreword

This report of a management audit of Hawaii's public library system was prepared in response to Senate Concurrent Resolution No. 171, Senate Draft 1, House Draft 1, Conference Draft 1 of the Regular Session of 1997. The resolution requested the State Auditor to conduct a financial and management audit of the library system. Our financial audit will be covered in a separate report.

We wish to express our appreciation for the cooperation and assistance extended to us by officials and staff of the Board of Education, the library system, and others whom we contacted during the course of the audit.

Marion M. Higa
State Auditor

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Chapter 1

Introduction

Hawaii has the only statewide, integrated public library system in the nation. The state librarian has begun reform efforts to maximize the system's use of its fiscal and human resources.

Most recently, the state librarian contracted for book selection and related services traditionally assigned to library staff. Controversy surrounding the contract prompted the 1997 Legislature to ask the State Auditor to conduct a financial and management audit of the Hawaii State Public Library System. The audit request was made in Senate Concurrent Resolution No. 171, Senate Draft 1, House Draft 1, Conference Draft 1. This report responds to the request for a management audit. We will respond to the request for a financial audit in a separate report.

Background on the Public Library System

The public library system seeks to be “an important cultural and social asset by meeting the public's individual needs for timely access to materials and resources for reading and lifelong learning through a quality managed system.”¹ With revenues from the State's general fund decreasing, the state librarian reaffirmed the priorities of customer service and public access to libraries. He attempted to achieve this and reduce costs, by eliminating many administrative and centralized positions and redeploying staff from these positions to individual libraries.

Organizational structure

The library system consists of a central administration and 49 public libraries including the Hawaii State Library, the Library for the Blind and Physically Handicapped, and other libraries throughout the islands. Twelve are “public and school” libraries located on public school campuses.

Article X, Section 3 of the Hawaii State Constitution makes the Board of Education responsible for formulating statewide educational policies. Chapter 312-1, Hawaii Revised Statutes (HRS), gives the board—which also directs the public school system—specific responsibilities for the library system. These include accounting for all moneys received by the system; providing all residents with access to libraries; acquiring and cataloging all books and other publications; and contracting as necessary to meet its responsibilities.

The library system is directly administered by the state librarian, who is appointed and directed by the Board of Education. On July 1, 1997, the library system had 512 authorized positions including librarians, library

assistants, library technicians, and janitors. About 40 of the positions were vacant. Pending reorganization approval by the Department of Budget and Finance, the system is operating under a reorganization plan that abolishes 99 positions and transfers 89.5 positions within the system. Over 60 of the transferred positions were moved from work having no customer contact to jobs at the libraries.

The reorganization eliminated the five previous district offices, administrative staffing at the Hawaii State Library and the Library for the Blind and Physically Handicapped, and the Centralized Processing Center (see Exhibits 1.1 and 1.2). All 49 libraries (listed in Exhibit 1.3) report to the head of library operations, who directs the Public Libraries Branch and also serves as managing librarian of the Hawaii State Library.

Each of the four counties is represented by a library commission that advises the Board of Education. An Advisory Alliance for Literacy and Lifelong Learning is administratively attached to the Office of the State Librarian.

Decline in general-fund revenues

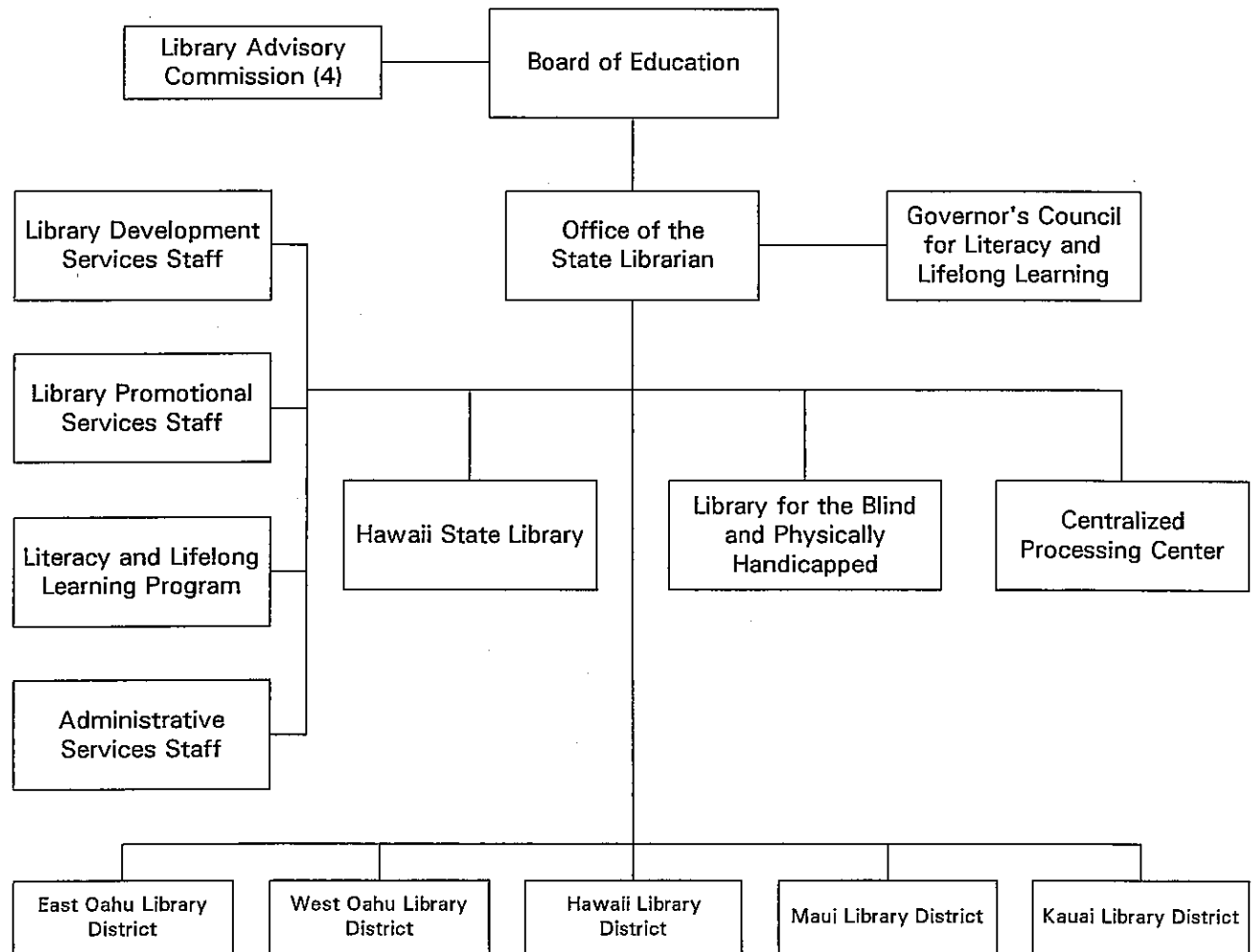
General fund appropriations for the public library system declined from \$23.2 million during FY1994-95 to \$18.4 million during FY1996-97 (see Exhibit 1.4). Consequently, expenditures to maintain the system's collection of materials also declined. Expenditures in FY1996-97 for library materials—including books, magazines, and audiovisual materials—were 60 percent of the FY1994-95 amounts.

On the other hand, while general fund revenues decreased from FY1994-95 through FY1996-97, special fund revenues increased. A \$1 million increase in special fund revenues from FY1992-93 to FY1996-97 resulted partly from starting an Enhanced Services Program, which charges library customers fees for discretionary services. The increase in special fund revenues has been insufficient, however, to cover the decline in general fund appropriations.

Recent reform efforts

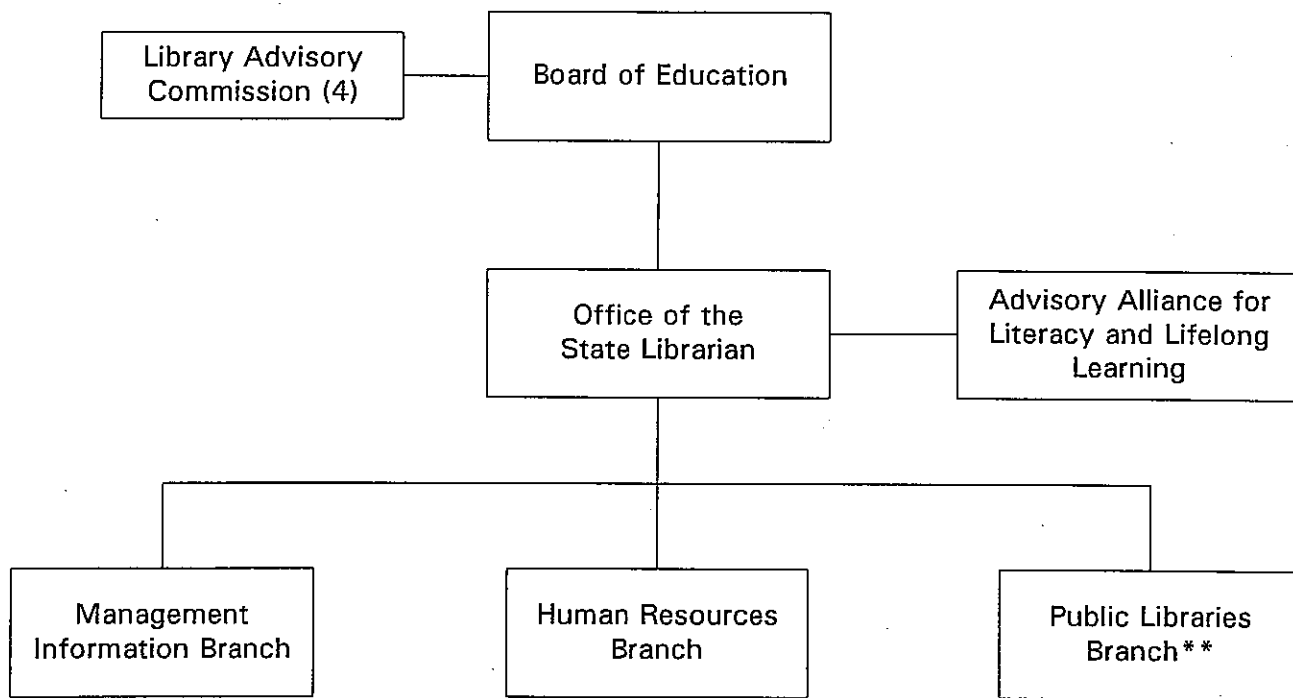
The state librarian contracted with a consultant in 1991 to develop a plan, *Customer Satisfaction: A Master Plan for Public Libraries*. Among other things, the master plan established goals for customer service, program activities, funding, and governance. The plan was amended in 1994 to include the implementation of State Library Innovations: A Model for Maximizing Employees and Revenues (Project SLIMMER). Project SLIMMER was one of two major reform efforts the state librarian adopted to address the decline in general fund revenues. The second reform effort, reengineering, is not specifically included in the master plan. Exhibit 1.5 shows the components of each reform effort.

Exhibit 1.1
Official Organizational Structure of the Public Library System



Source: Department of Education, Hawaii State Public Library System Organization Chart

Exhibit 1.2
Actual Organizational Structure of the Public Library System*



Source: Department of Education, Hawaii State Public Library System Organization Chart

*Pending approval by the Department of Budget and Finance.

**All individual libraries report directly to the managing librarian of the Hawaii State Library.

Exhibit 1.3 Public Libraries

East Oahu

Hawaii State Library
Library for the Blind & Physically Handicapped
Aina Haina Public Library
Hawaii Kai Public Library
Kahuku Public & School Library
Kailua Public Library
Kaimuki Public Library
Kalihi-Palama Public Library
Kaneohe Public Library
Liliha Public Library
Manoa Public Library
McCully-Moilili Public Library
Waikiki-Kapahulu Public Library
Waimanalo Public & School Library

West Oahu

Aiea Public Library
Ewa Beach Public & School Library
Mililani Public Library
Pearl City Public Library
Salt Lake Public Library
Wahiawa Public Library
Waialua Public Library
Waianae Public Library
Waipahu Public Library

Hawaii

Bond Memorial Public Library
Hilo Public Library
Holualoa Public Library
Honokaa Public Library
Kailua-Kona Public Library
Keeau Public & School Library
Kealahou Public Library
Laupahoehoe Public & School Library
Mountain View Public & School Library
Pahala Public & School Library
Pahoa Public & School Library
Thelma Parker Memorial Public & School Library
Naalehu Public Library

Maui

Hana Public & School Library
Kahului Public Library
Lahaina Public Library
Lanai Public & School Library
Kihei Public Library
Makawao Public Library
Molokai Public Library
Wailuku Public Library

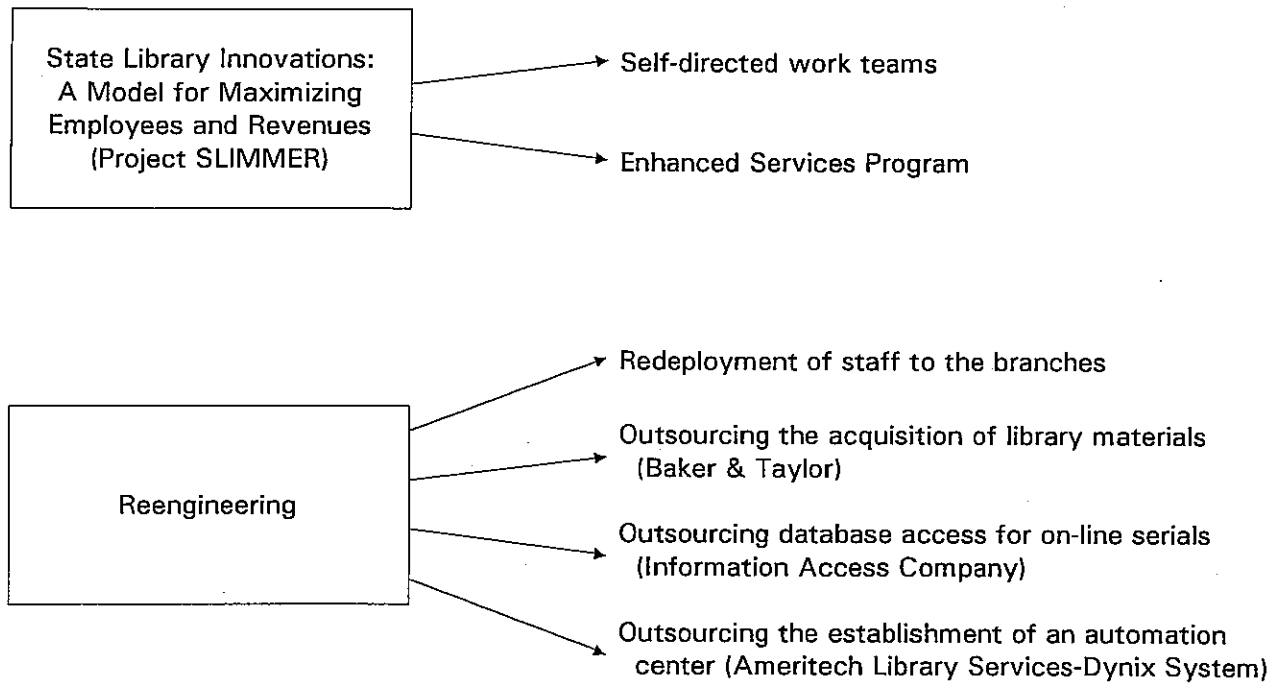
Kauai

Hanapepe Public Library
Kapaa Public Library
Koloa Public & School Library
Lihue Public Library
Waimea Public Library

Exhibit 1.4 Legislative Appropriations for Public Libraries FY1991-92 through 1996-97

Fiscal Year	General Funds	Special Funds	Federal Funds	Total Funds
1991-92	\$22,640,877	\$350,000	\$624,520	\$23,615,397
1992-93	\$23,384,867	\$600,000	\$660,763	\$24,645,630
1993-94	\$22,962,741	\$1,475,000	\$1,250,000	\$25,687,741
1994-95	\$23,186,219	\$1,625,000	\$660,763	\$25,471,982
1995-96	\$20,759,339	\$1,625,000	\$660,763	\$23,045,102
1996-97	\$18,418,895	\$1,625,000	\$660,763	\$20,704,658

Exhibit 1.5
Recent Reform Efforts of the Library System



Project SLIMMER

Project SLIMMER was intended to “maximize” employee value and non-general fund revenues. Approved by the Board of Education in January 1993, the project has two main elements: self-directed work teams and the Enhanced Services Program.

The management technique of self-directed work teams has gained increasing attention across the nation. These teams are supposed to control their own work and take on major responsibility for quality and productivity. The library system piloted the concept of self-directed work teams at five libraries in 1993 to increase productivity, quality, customer satisfaction, flexibility, innovation, and employee commitment. Additional libraries formed teams in September 1994, and by 1995 all remaining libraries were required to form teams.

The Enhanced Services Program—the other part of Project SLIMMER—sought to reduce the library system’s reliance on general funds by allowing the libraries to assess customer fees for discretionary services including customized research and the rental of meeting rooms, videos, and best-sellers. Section 312-21, HRS, authorized the Board of Education to establish the enhanced services fee program and to administer a Library Fee for Enhanced Services Special Fund. All revenues collected from enhanced services must be deposited into this special fund. The state librarian and Library Advisory Committee determine individual libraries’ distributions from the special fund. The libraries may spend these funds for enhanced services only.

Reengineering

The management technique of reengineering has also gained national attention. This approach forces an organization to identify its purpose or core services and eliminate unnecessary processes through rapid and radical redesign.

The state librarian describes reengineering as a major top-down initiative to lower costs and increase productivity, efficiency, and quality. Reengineering attempted to flatten the library system’s administration, reduce operational costs, and increase customer service by redeploying staff to the individual libraries and outsourcing technical services.

In March 1995, the state librarian told the Board of Education that budget cuts and restrictions of between 15 and 20 percent required an “instant analysis of public library business and its processes.” He advised the board that the self-directed work teams could not provide the results needed to deal with economic conditions and asked for approval of a reengineering project. A Reengineering Project Team of the library system met and developed the following reengineering goals: (1) control costs, (2) enhance customer satisfaction, (3) improve the quality of decision making, (4) increase the number of customer uses, (5) increase efficiency, and (6) improve accuracy. The board approved the library system’s reengineering project shortly after these goals were adopted.

The reengineering team discussed the outsourcing of technical services and also identified the following as pressing issues:

- A management information system was needed to help self-directed work teams continue to mature;
- A decision was needed as to whether on-line periodical service would be provided, since the annual order for hard copies of periodicals was pending; and

- A plan was needed to deal with the staffing needs of the Centralized Processing Center, which was expected to lose about one-fourth of its personnel to the State's early retirement initiative.

In July 1995, the governor ordered restrictions of \$3.5 million from the library system's operating budget, of which no less than 50 percent was to come from staff layoffs. The state librarian prepared a plan to close 18 libraries, lay off 124 full-time equivalent employees, and abolish 70 vacant positions. He also prepared an alternate plan, which included implementing the board-approved reengineering project. The plan provided for outsourcing automation, on-line information, and collection development. The alternate plan was approved by the governor.

Subsequently, the state librarian signed three contracts for outsourcing that totaled approximately \$11 million. These included (1) an automation system incorporating management information (vendor: Ameritech Library Services/Dynix), (2) an on-line serials index (vendor: Information Access Company), and (3) the acquisition, selection, cataloging, processing, and distribution of library materials (vendor: Baker & Taylor).

The outsourcing of the acquisition, selection, cataloging, processing, and distribution of library materials resulted in the redeployment of all Centralized Processing Center staff. Forty-one of the center's 45 positions were shifted to individual libraries.

Objectives of the Audit

1. Assess the effectiveness of the management of the public library system's recent reform efforts.
2. Determine whether the library system has adequate controls to ensure the cost-effectiveness of contracted services and the sufficient performance of vendors.
3. Make recommendations as appropriate.

Scope and Methodology

Our work focused on the library system's reform efforts from 1991 to the present. We reviewed state laws and rules, interviewed administrators and staff of the library system, and reviewed files at the Management Information Branch, Human Resources Branch, and 25 of the 49 libraries. We interviewed members of the Board of Education and members of the blue ribbon panel that the board formed to review the performance of Baker & Taylor, and we reviewed board and panel documents. We

surveyed 432 library employees at the 49 sites through a mailed questionnaire. A total of 312 responded for a 72 percent response rate. (Survey results are tabulated in Appendix A and discussed in Chapter 2.)

Our work was performed from May 1997 through December 1997 in accordance with generally accepted government auditing standards.

Chapter 2

The State Librarian and the Board of Education Did Not Guide Library Reforms and Contracts Effectively

The state librarian responded to the State's budget problems with reform efforts to decentralize decision making, increase employee motivation, and decrease operational costs while improving customer service. His attempt to seek innovative ways of increasing efficiency is commendable.

However, ambitious goals must be accompanied by sound, painstaking planning. Strong and constant leadership is needed to guide reform and manage change.¹ We found that the state librarian did not successfully plan and implement the reform efforts, consequently undermining their purpose and goals. One consequence of the state librarian's poor planning and his management approach is a high level of staff dissatisfaction.

We also found that the state librarian's hasty decisions on reform could have been averted by his higher authority, the Board of Education. The board must be held accountable for failing to carefully review the reform efforts before approving them.

Summary of Findings

1. State Library Innovations: A Model for Maximizing Employees and Revenues (Project SLIMMER) failed to achieve its goals of increasing decision-making authority at the individual libraries and did not increase non-general fund revenues as much as intended.
2. The redeployment of staff from non-customer-contact positions to the individual libraries has not demonstrated improved customer service and cost savings.
3. Hastily contracting for services without establishing management controls has undermined performance and increased costs.
4. Staff dissatisfaction with the reform efforts and with the state librarian is widespread. His questionable decisions, and concerns about the special assistant position, may be contributing to the dissatisfaction.
5. The Board of Education did not meet all its responsibilities for the library system.

Project SLIMMER Has Not Achieved Its Goals of Empowering Individual Libraries and Generating Revenues

Role and authority of self-directed work teams is unclear

State Library Innovations: A Model for Maximizing Employees and Revenues (Project SLIMMER) was intended to maximize employee value through self-directed work teams and increase non-general fund revenues through user fees for enhanced services such as the rental of best-sellers, video tapes, and meeting rooms. However, Project SLIMMER was not adequately planned and guided. Consequently, self-directed work teams have unclear and limited authority and only one third of the anticipated revenues has been collected.

Project SLIMMER was designed to give new authority to work teams in each of the libraries. The state librarian prepared a continuum of 19 functions for which the self-directed work teams would be given authority during four phases of team development. However, this effort was not adequately planned to ensure that the teams understood their new responsibilities and had the skills to carry them out.

The process by which the teams gain new authority has not been clarified. The state librarian's continuum of 19 functions was unclear. Exhibit 2.1 shows this continuum. It does not indicate when each team is expected to complete each phase of development, nor are the percentage levels explained. Consequently, the libraries and teams have had little guidance in measuring their development.

In actuality, many teams have not taken on *any* new authority. They remain in the earliest phase of development, which typically limits authority to the same tasks that members were performing prior to the teams.

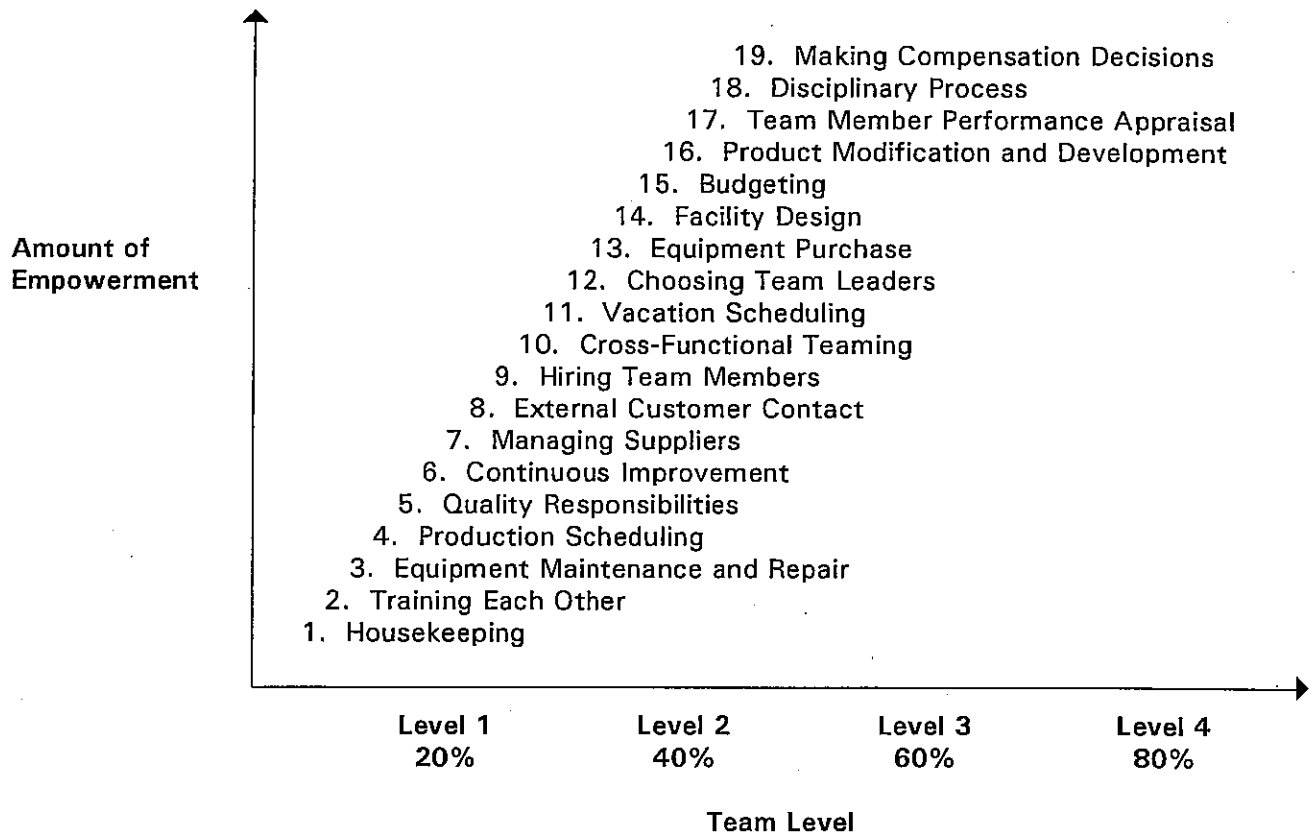
Our interviews with team members and our survey of library employees indicate that the teams continue to need clarification. At several of the 25 libraries we visited, staff informed us that teams are unsure of the areas for which they have authority. About 44 percent of the respondents to our survey reported that teams do not have additional authority. Moreover, many respondents observed that staff roles and responsibilities were unclear.

These concerns are not new. A consultant who surveyed the work teams in June 1995 found that staff wanted clarification on team roles and decision-making authority. Respondents to the consultant's survey perceived that the central administration would support only minor, low-impact decisions made by the team. Although the state librarian knows of these concerns, he has yet to adequately address them.

Work teams were designed to increase productivity by 15 percent, increase quality and customer satisfaction by 10 percent, and increase

Exhibit 2.1

Library System's Development Continuum for Self-Directed Work Teams



Source: Team Organization Training unit, Public Library System

flexibility, innovation, and employee commitment by 10 percent. However, in August 1994 following the pilot phase, the library system reported that results were inconclusive, more training was needed, and better methods of measuring achievement were required. The library system also acknowledged that the objectives for the teams were unrealistic due to the short time frame of the pilot program.

Despite these shortcomings, the state librarian expanded the teams to all libraries because he found that customer satisfaction was higher at libraries with teams in place. However, the unrealistic objectives for the teams remain.

Training has not prepared teams for increased responsibilities

Staff at the libraries need training to develop the skills needed for their new roles and responsibilities. The library system's 1993 feasibility study on self-directed work teams acknowledged the need for training in technical, administrative, and interpersonal skills. According to the state librarian in a presentation to the Board of Education, training programs to help staff develop these skills were to begin in October 1993.

A Team Organization Training unit staffed by four library employees was developed as part of the library system's reorganization to assist with training needs. The training team is currently staffed by four library employees including a janitor. Some of the trainers informed us that they are not aware of a long-range plan detailing the specific training that teams will receive to move them towards greater autonomy.

Furthermore, the lack of a functional statement for the training team has contributed to confusion about its role. It is not clear whether the training team is to serve as a facilitator or as a trainer. Consequently, training provided to self-directed work teams has been typically limited to developing communication skills and facilitating team meetings. In addition, the state director of finance has questioned whether the training team has sufficient expertise to justify creating a full-time Team Organization Training unit.

Dissolving the five district offices has given staff of the individual libraries new administrative functions such as ordering and approving payment for their supplies and accounting for their supply budgets. Staff need to be trained to perform these responsibilities. Library staff indicated that increased workload coupled with the lack of training has reduced the time they can devote to serving the public. Many survey respondents believe that redeployed staff need additional training and that self-directed work teams need training for their new roles. The state librarian contends that staff of the individual libraries were provided with training; however, we still believe that additional training is needed.

Failure to provide staff with budget training also led at least two branches to reject the state librarian's offer to assume complete control over their budgets. He should not have made this offer without first planning for and providing the necessary training.

Some team decisions are unjustifiably rejected

The library system's central administration overturned decisions made by self-directed work teams. Occasionally, administration justifiably rejected team decisions that violated the library system's administrative rules or did not comply with the matrix for operational hours. The matrix identifies the number of days and evenings a particular library must be open based on the library's staffing and circulation levels. Other times, however, administration rejected team decisions that did not conflict with library policies.

We also found that administration has not been consistent in its approach to rejecting team decisions. For example, the Kahului library's team decision to change the library's operational hours was rightfully denied because it did not comply with the matrix. However, when the team revised the schedule to comply with the matrix, its decision was still overturned. Other libraries with larger staffing and smaller circulation were allowed to deviate from the matrix.

Rejecting team decisions without sufficient reason undermines teams' motivation to exercise decision-making authority. Many team members informed us that their teams are cautious with their decisions because they believe administration will overturn any major decision. Finally, a few libraries noted their decision-making ability is limited because they do not control their budgets.

Enhanced services revenues fall short of projections

The Enhanced Services Program was intended to decrease the library system's reliance on general funds by assessing user fees for discretionary services. The state librarian informed the Board of Education that \$1.4 million would be generated from enhanced services fees during FY1996-97. Only \$478,974, or about one third of the projected amount, was actually collected. Revenues fell short because the state librarian failed to provide the individual libraries with adequate guidance to implement the Enhanced Services Program. Staff at many of the libraries we visited said that additional guidance is needed to implement the program. Lacking adequate guidance, libraries do not offer all services, and their fees for the same services vary.

Implementation of enhanced services was poorly planned

The state librarian did not adequately plan for the implementation of the Enhanced Services Program. The administrative rules for the program do

not provide sufficient guidance to ensure a uniform fee assessment. For example, because the rules do not adequately define customized research, there is no standard for assessing a research fee. Even within the same library, librarians differ on criteria for making fee determinations.

Similarly, although the rules stipulate that all public-performance videos be lent to library patrons at no charge, the rules contain no criteria or definitions of public-performance videos. The lack of clarity resulted in improper collections for video rentals at about half of the libraries we visited. Errors included charging for public-performance videos, and not charging for public-service or donated videos. One library manager stated that charges will be made for all videos until the central administration provides further guidance.

Incentive for providing enhanced services was eliminated

Section 312-22, HRS, requires that enhanced services fees be deposited into the Library Fee for Enhanced Services Special Fund. This fund is to be administered by the state librarian, who is required (along with the Library Advisory Committee) to determine the annual amount each library will receive from the fund for its enhanced services program.

The state librarian violated Section 312-22, which requires him to return these fees to the individual libraries. During FY1996-97, he used \$295,000 of the enhanced services fees to pay Baker & Taylor for contracted services. An additional \$100,000 was improperly transferred to the general fund. These funds were not made available to the libraries as the state librarian informed the Legislature that they would be. In our survey of library staff, more than 26 percent of respondents objected to enhanced services fees not being returned to the libraries.

Librarians at several of the libraries we visited stated that the state librarian has eliminated the incentive for providing enhanced services. Without the incentive of returned funds, one library recommends less expensive meeting rooms to those who inquire about renting the library facility. Another library has stopped purchasing videos because it does not receive any benefit for providing this service.

**Staff
Redeployment and
Related
Outsourcing Have
Not Demonstrated
Cost Control and
Fostered Customer
Service**

The state librarian eliminated the Centralized Processing Center, formerly responsible for the acquisition, selection, cataloging, processing, and distribution of library materials. He contracted with Baker & Taylor to provide these services in order to redeploy the processing center's staff and decrease expenditures by 40 percent. He claimed these savings would negate the need to lay off staff and close some libraries in response to the governor's order to reduce the library system's operational budget by \$3.5 million. However, the state librarian's cost savings analysis is incapable of demonstrating such savings.

Whether or not the state librarian's decision to outsource was an immediate reaction to the governor's order, the speed of the outsourcing and staff redeployment was reckless and did not allow for adequate planning. Consequently, staff report spending less time on the floor serving the public, and anticipated new titles are not being made available to taxpayers. Increased customer service from these efforts has not been demonstrated.

***Cost savings from the
Baker & Taylor
arrangement have not
been proven***

The process of determining whether contracting would result in cost savings should have had three basic elements. One element is correct identification of in-house operational costs for services formerly provided by the Centralized Processing Center. Another element is correct calculation of the contracted costs of those same services. The third element is comparison of in-house costs with contract costs, ensuring that similar services are compared.

The state librarian claimed that contracting with Baker & Taylor would result in a cost savings of 40 percent per unit. He has not proven this claim because he failed to support it with the elements necessary to establish cost savings.

In-house costs were not accurately identified

The state librarian did not accurately calculate and report in-house operational costs of the Centralized Processing Center. His estimate is incorrect for several reasons. He reported the in-house cost to select, acquire, catalog, process, and distribute library materials as \$35 per unit. He based unit cost on estimated average book costs. Exhibit 2.2 shows his analysis. The attribution of \$35 per item is faulty because it is not based upon the actual number of units purchased and the actual expenditures for those units.

The state librarian's estimated book cost is \$22.50, representing 64 percent of the total estimated in-house cost. However, we found no documented analysis to support this \$22.50 estimate. Librarians who assisted in computing the average book cost do not recall factoring in discounts the library received, which ranged between 34 and 41 percent.

Furthermore, the state librarian did not track the actual number of books purchased during the year prior to outsourcing. Although he should have been able to compile this data from purchase orders and payment vouchers, he did not identify this information in his estimate of in-house costs.

Estimate of cost savings is unrealistic

The state librarian incorrectly calculated contracted costs. He reported a \$20.94 unit cost to be paid to Baker & Taylor. His estimate of contracted cost savings per unit is incorrect for two reasons: (1) it ignores a one-time, non-refundable \$730,000 start-up fee paid to Baker & Taylor, and (2) it does not account for library employees' time on work generated by the Baker & Taylor contract.

The Baker & Taylor contract specifies that \$730,000 is to be paid as a start-up fee in the first year of the contract (FY1995-96). Adding the \$730,000 to that year's costs would add \$12.08 to the \$20.94 unit cost of library materials for that year. The state librarian contends that the \$730,000 should be amortized over 5.25 years—the term of the contract—for additional library materials. If we were to accept his view, the \$730,000 would not raise the unit cost. However, we believe our approach of attributing the \$730,000 to the first year is justified because the contract required that the amount be paid during the first year of the contract and did not specifically provide that this fee was for additional materials.

We added another \$4.91 to the unit cost to account for time spent by staff of the individual libraries on Baker & Taylor-related work for each of the contract years (for example, unpacking books, and checking and reporting on what was received). This personnel cost is a conservative one; we adopted the \$4.91 personnel cost identified by the state librarian for staff activities at the individual libraries prior to Baker & Taylor. See Exhibit 2.2. Staff report spending at least as much time and possibly more with Baker & Taylor shipments as they did when the books were purchased by the library system directly.

We estimated actual contracted costs to compare with the state librarian's estimate of the unit cost under Baker & Taylor (see Exhibit 2.3). When the start-up fee and additional staff costs are factored in, the estimated unit cost for books purchased by Baker & Taylor increases by 81 percent (\$20.94 to \$37.93) for the first year of the contract and by 23 percent (\$20.94 to \$25.85) for the subsequent years.

Cost analysis compares dissimilar cataloging methods

The third element in determining costs requires ensuring that comparisons involve the same services and cataloging methods. Prior to outsourcing the cataloging of library materials, staff of the Centralized Processing Center customized all cataloging. Customized cataloging refines the Dewey Decimal System to meet library needs and ensures that materials with similar content are shelved in the same vicinity. It is more labor-intensive and consequently more costly than copy cataloging, which simply downloads catalog codes already assigned by others.

When comparing the in-house unit cost to the Baker & Taylor unit cost, the state librarian inappropriately compared the more expensive in-house customized cataloging to the Baker & Taylor copy cataloging.

Baker & Taylor provided the state librarian with unit cost information that included customized cataloging; however, the state librarian chose not to use this data when comparing Baker & Taylor's unit cost to the cost of in-house customized cataloging. Doing so would have increased Baker & Taylor's unit cost by \$2.05. Instead he compared the higher cost of in-house customized cataloging against the lower cost of copy cataloging to be provided by Baker & Taylor, with misleading results.

Copy cataloging will save costs whether it is provided in-house or by a vendor. We found library staff increase their productivity by about one third when they use copy rather than customized cataloging.

Consequently, attributing the cost savings solely to outsourcing is misleading. To identify whether the cost savings could be obtained by outsourcing this service, the state librarian should have compared the vendor's cost for copy cataloging to the in-house cost for the same cataloging method. This was not done. The state librarian's "apples to oranges" cost analysis contributes to the exaggerated cost savings from outsourcing.

Increased customer service has not been demonstrated

Eliminating district offices and the Centralized Processing Center was intended to increase customer service by redeploying staff from non-customer-contact positions to customer-contact positions at individual libraries. Actually, the state librarian planned to eliminate the Centralized Processing Center prior to the state budget crisis. However, he did not adequately plan for the transition. Instead, when the governor ordered the library system to decrease its operational budget, the state librarian seized the opportunity to implement his vision of outsourcing technical services, despite the lack of adequate planning.

The state librarian did not set up a transition phase to prepare library staff for responsibilities formerly handled by district offices. Furthermore, the state librarian did not establish an alternative plan should outsourcing fail,

Exhibit 2.2
State Librarian's Presentation of In-House Average Unit Cost
FY1993-94

Description	Estimated Average Cost Per Book (\$)
Estimated Book Cost	\$22.50
Estimated Processing Cost	7.59
Estimated Personnel Cost	4.91
 Total Unit Cost	 \$35.00

Note: The estimated personnel cost includes about 24 percent of the salaries of branch-level staff who select and process library materials. Estimates are based on allocations.

Exhibit 2.3
State Librarian's Presentation of Baker & Taylor Unit Cost Compared to Auditor's Unit Cost

	State Librarian's Unit Cost Attribution	Auditor's Estimated Unit Cost FY1995-96	Auditor's Estimated Unit Cost FY1996/97-2000
Contract Unit Cost	\$20.94	\$20.94	\$20.94
Start-up Fee	--	12.08	--
Personnel Costs	--	<u>4.91</u>	<u>4.91</u>
 Total Cost	 <u>\$20.94</u>	 <u>\$37.93</u>	 <u>\$25.85</u>

and did not ensure that library materials purchased outside the Baker & Taylor contract would be cataloged. Failure to plan for the transition has resulted in a backlog of uncataloged books that are unavailable to the public, the questionable use of emergency funding, and lower employee morale.

Backlog of uncataloged materials is unavailable to the public

The state librarian eliminated the Centralized Processing Center without determining whether Baker & Taylor would be able to catalog donated library materials and items purchased through other sources such as the Friends of the Library. The contract requires Baker & Taylor to catalog 121 books the library system receives as gifts, but this represents only about two percent of the approximately 5,000 gift books processed during the year prior to outsourcing.

Furthermore, the central processing staff continued to order books until their redeployment but had no plan to catalog the outstanding central processing orders of about \$1 million. The state librarian allowed for only one cataloger to catalog Hawaiian and Pacific documents.

The library system reported that 7,000 books were uncataloged in May 1997 and therefore unavailable to the public. An additional, undetermined number of items are also uncataloged and unavailable to the public, including school students. During our July and August 1997 visits to 25 of the 49 libraries, we found 6,198 items uncataloged and unavailable. Former Centralized Processing Center catalogers have had to catalog nonvendor materials on a part-time basis to decrease the backlog. This has resulted in a decrease in direct customer service.

The state librarian established a temporary cataloging unit in October 1997 to catalog the backlog of books as well as those that the libraries will purchase following the recent termination of the contract with Baker & Taylor.

Duplicate titles were purchased with emergency funds

As a result of widespread dissatisfaction among librarians with materials provided by Baker & Taylor, the governor made an emergency allocation of \$100,000 to be spent for needed materials. One of the major complaints from librarians was about duplicate titles sent by Baker & Taylor. However, the state librarian restricted \$80,000 of the \$100,000 allocation to be spent for duplicate titles.

The librarians were unable to buy new titles because of the already large backlog of uncataloged materials. Limiting purchases to duplicate titles is a questionable use of taxpayer funds and does not comply with the

purpose of the emergency funding. Books in the integrated library system are available to library customers statewide; therefore, purchasing large quantities of duplicate titles is unnecessary.

Additional workload at the libraries is burdensome

Dissolving the district offices did not result in increased customer service at libraries. Library staff report that due to their increased workloads, they are unable to spend the same amount of time directly serving customers on the floor as they did prior to the Baker & Taylor contract. The administrative work formerly assigned to the district offices and re-assigned to the individual libraries was transferred without adequate staff training. For example, a former district office account clerk, who was redeployed to a library, informed us that she spends half of her time on administrative work. Moreover, almost two years after redeployment, she continues to receive calls from other libraries requesting assistance and direction for former district responsibilities.

Sick leave among redeployed staff increased significantly

The library system's own employee attitude survey conducted in 1996 indicated that morale among library employees had dropped. This is disturbing because the broader goal of the state librarian's reform effort is to increase customer service and employee productivity. Instead, sick leave among staff from the Centralized Processing Center increased 71 percent in the year that redeployment was first discussed and the center eliminated. Sick leave of all librarians we sampled—both those redeployed and those not—increased by 44 percent. Increases in sick leave reduce productivity.

Contracting Is Plagued by Crisis and Rising Costs

Sound contract management requires the identification of an organization's needs and the ongoing evaluation of vendors contracted to meet those needs. Without this, there is no assurance that public funding is not wasted. The state librarian's hasty implementation of two contracts that were contingent upon each other resulted in questionable procurement practices and in a crisis that demanded his immediate and full attention. A state of crisis undermines cost control and increases customer and staff dissatisfaction.

Management information needs and contract management were not properly planned for

Section 103D-205, HRS, requires chief procurement officers to develop a program for ensuring the acceptability of contracted goods and services. Contract monitoring is a means of evaluating the quality of contracted goods and services. Successful monitoring depends on the availability of meaningful information reports.

The library system's new computer system has been unable to generate meaningful reports to monitor the performance of Baker & Taylor as intended. In January 1996, the state librarian contracted with Ameritech Library Services/Dynix to provide a new computer information system, including a management information module. However, he did not obtain input from the library's computer user group to ensure that the new computer system would satisfy the needs of a library system in transition. Furthermore, Ameritech to date has not completed all system testing to ensure the reliability and accuracy of the new computer system.

User input not sought for new computer system

The Information and Communications Services Division of the Department of Budget and Finance requires executive departments to use the Systems Development Methodology (SDM) when developing or acquiring information systems. Under the SDM, departments must complete a user assessment documenting user needs and problems. Departments must also analyze present operations and business processes that the system will address. The SDM's detailed guidelines and step-by-step description of tasks to be performed help ensure that the system meets user needs.

The state librarian did not ensure the completion of the user assessments required by the SDM prior to contracting with Ameritech Library Services to provide the installation and maintenance of the Dynix Automation Center Services. Services that Dynix is to provide include, but are not limited to, an integrated system of on-line library functions, in-house and Internet electronic mail, and a management information system. Furthermore, the state librarian did not seek input from staff of the libraries, who would be using the new system for daily tasks. He also failed to identify the management reports the system would need to generate to monitor the performance of Baker & Taylor.

Although the library system's user group was not tapped as a resource, the state librarian developed an automation advisory group after the contract was awarded to Ameritech. The advisory group was tasked with identifying and resolving problems with Dynix; however, most members of the advisory group have since resigned.

Dynix system tests are behind schedule

The contract with Ameritech requires the contractor to perform a data load test, a systems reliability test, and software functionality tests as part of the installation process. These tests ensure the reliability of the data and the software. The contract also allows the library system to request a response time test at any time to ensure that the computer system meets performance standards of the contract. These tests should have been

completed prior to full operations at the individual libraries to minimize the effect of any problems or “bugs” in the system. However, only the data load test had been completed at the time of our fieldwork.

The data load test determined whether information was accurately transferred from the library system’s old information system. The library system and a representative from Ameritech informed us that data errors were identified and corrected; however, the library system was unable to provide us with a report identifying the corrected errors.

Ameritech has not yet performed the system reliability test, which is intended to verify that the computer system operates at a 98 percent reliability level for an extended period of time. This testing is awaiting the completion of procedures and forms by Ameritech.

Ameritech is currently conducting the software functionality test. This test is designed to verify that the required functional capabilities of the software have been delivered. Functionality tests for all other modules, except acquisitions, have only recently been completed. Until all functionality tests are completed, the library system cannot assure the reliability of these modules. This raises concern, because the state librarian had planned to use the Dynix system to monitor the performance of Baker & Taylor.

Library system was unable to effectively manage the Baker & Taylor contract

Although the state librarian intended to monitor Baker & Taylor’s performance through management information reports generated by the Dynix system, he did not ensure that Dynix would be capable of producing the necessary data. To the contrary, he proceeded with his plan to contract with Baker & Taylor even when implementation of the Dynix system was delayed from January 1996 to July 1996. (See the chronology in Exhibit 2.4.)

Exhibit 2.4 Contract Chronology for Ameritech and Baker & Taylor Contracts

	<u>Ameritech*</u>	<u>Baker & Taylor**</u>
Date RFP Released	November 13, 1995	November 13, 1995
Date Vendor Notified of Selection	December 19, 1995	December 19, 1995
Contract Award Protest Filed	January 2, 1996	N/A
Contract Execution Date	January 25, 1996	March 28, 1996
Effective Date of Contract	January 25, 1996	February 20, 1996
Service Commencement Date***	July 19, 1996	July 15, 1996

* The library system contracted with Ameritech to provide a vendor-operated computer automation center to integrate the library system.

** The library system contracted with Baker & Taylor for the selection, acquisition, cataloging, processing, and distribution of library materials.

*** The service commencement date refers to the installation date for Ameritech's Dynix System as well as the date the library system first received a shipment of books from Baker & Taylor. Baker & Taylor did not have access to the library system's database and was unable to process library materials until the Dynix System was installed.

The contract requires Baker & Taylor to provide the State with 60,419 units during the first contract year. The contract also specifies the composition mix of these units. For example, 47 percent are to be hardcover books. However, due to the state librarian's poor planning, the library system is incapable of identifying whether contract specifications were followed. The Dynix system is unable to distinguish between hardcover and paperback materials. Moreover, the system cannot reliably distinguish materials that were acquired by Baker & Taylor from those that were not.

The state librarian did not ensure that the Dynix computer system would be able to identify materials provided to individual libraries by Baker & Taylor. Key reengineering staff claim that they informed Ameritech and Baker & Taylor of the library system's need to extract circulation statistics for material provided by Baker and Taylor. But the staff could not document this claim.

Ameritech informed the Board of Education that it became aware of the lack of management controls when Baker & Taylor requested circulation statistics for materials it provided to the individual libraries. Ameritech reported it discovered that the collection codes set up for the library system did not differentiate between items procured by Baker & Taylor and materials already existing in the library's collection or obtained from another source. Ameritech informed the board that if this information had been made available when the system was being set up, the necessary codes could have been developed.

Subsequently, Ameritech developed collection codes in May 1997 to identify all Baker & Taylor materials. However, these codes are deficient because they do not accurately identify all Baker & Taylor units. At 44 percent of the libraries we visited, library materials purchased with other funding were inaccurately attributed to Baker & Taylor. Moreover, both staff of the individual libraries and Baker & Taylor employees have access to and can change the collection codes. We even found instances where library staff had deliberately removed Baker & Taylor from the collection code. In one case the librarian did this believing titles selected by librarians should not be reported in Baker & Taylor's circulation statistics.

In addition, staff of the libraries received little or no guidance on how to document poor vendor performance. As a result, concerns from the libraries flooded the electronic mail of the library system and accumulated on the desk of a library employee who was designated as responsible for monitoring the vendor's performance. Assigning one person this responsibility was impractical and unproductive. Complaints ranging from torn pages to items missing in vendor shipments were summarized and presented to Baker & Taylor; however, no follow-through was conducted due to limited monitoring resources. Consequently, many staff at libraries concluded that their complaints were being ignored by central administration.

Furthermore, problems have arisen concerning the contract requirement that the library system provide Baker & Taylor with user profiles. These profiles were intended to enable Baker & Taylor to select appropriate materials for the libraries. The library system contends that it provided the company with the pertinent information. The company alleges that the data were provided late and never verified by the library administration. The state librarian was unable to verify to our office—and to the blue ribbon panel appointed by the Board of Education to review Baker & Taylor's performance—that the profiles were sent.

Damage claims made by the State will be difficult to determine
The State terminated its contract with Baker & Taylor effective July 22, 1997 and is pursuing damage claims against the company for items

purchased but allegedly not received. Because Dynix cannot accurately identify Baker & Taylor units, the State will have difficulty identifying the number of outstanding units.

Furthermore, the process of accounting for received items is sloppy. A discrepancy between the library system's and Baker & Taylor's count of units shipped and received led the state librarian to assign an account clerk at the Management Information Branch to manually count the number of items received, as recorded on copies of Baker & Taylor packing slips. To facilitate this process, the individual libraries are supposed to send copies of these slips to the Management Information Branch. However, 56 percent of the libraries we visited did not do so.

Other problems could also contribute to an unreliable count. Libraries did not receive clear directions on submitting copies of packing slips to the Management Information Branch. Consequently, some libraries did not adjust the total count on the packing slip for missing or extra units. When making copies of packing slips, one library inadvertently cut off the titles and quantity of materials sent. These errors made it difficult for the account clerk to accurately identify the number of materials received by the individual libraries.

***Questionable
procurement practices
increase costs to
taxpayers***

The state librarian engaged in questionable practices when contracting with Ameritech and with Baker & Taylor, resulting in increased costs to Hawaii's taxpayers. His pre-proposal discussions with Ameritech created a perception of preferential treatment and contributed to the filing of a protest after the contract was awarded to Ameritech. In addition, his disregard for the state procurement code resulted in damages from litigation, in addition to an initial questionable payment of \$730,000 to Baker & Taylor.

Pre-proposal discussions with Ameritech suggest preferential treatment

The State's procurement code, Chapter 103D, HRS, does not specifically prohibit meetings between the State and a potential vendor. However, the state librarian undermined competition, fairness, and accountability in the procurement process when he extensively discussed the library system's automation needs with Ameritech over one year prior to issuing a request for proposal (RFP). Moreover, the state librarian shared key information with Ameritech that was not provided to other proposers. He also allowed only Ameritech to demonstrate its automation system but did not allow other proposers to do so. Appendix B shows a timeline of the events and meetings between the state librarian, Ameritech, and the Maui High Performance Computing Center.

The state librarian clearly intended to include the Maui High Performance Computing Center in the automation of the library system. He contracted with the center in May 1995 to provide the library system with Internet access, but advised the center to delay implementation of the Internet project until completion of the library system's reengineering project. He also agreed to appoint a representative from the center to his reengineering team.

However, plans to include the center in the installation of a new computer system were not identified in the RFP for computer services. Only Ameritech was made aware of these plans and was allowed to participate in discussions that occurred three months prior to the issuance of the RFP. These discussions established the role the center would play and failure to provide this information to other vendors may have unfairly limited their ability to compete effectively.

We also question the state librarian's decision to allow Ameritech to identify the needs of the library system and elements to be included in the RFP. In a footnote to its recent opinion on the Ameritech award, the Hawaii Supreme Court suggested that, while the procurement law may not prohibit the involvement of a prospective contractor in the preparation of RFP specifications on an unpaid basis, such involvement could raise concern that the prospective contractor is gaining an unfair advantage in the competitive bidding process.²

The involvement of Ameritech as a consultant jeopardized the state librarian's neutrality. Impartiality was further compromised when a library employee who assisted in drafting the RFP applied for an assistant administrator position with Ameritech. Moreover, this position would be responsible for managing the automation of the library system if Ameritech were awarded the contract.

As part of his preliminary discussions with Ameritech, the state librarian allowed Ameritech to submit a pre-proposal and to demonstrate its Dynix system on several occasions beginning in August 1995. However, after the issuance of the official RFP in December 1995, the state librarian denied the request by another company, CARL Corporation, to demonstrate its automation system, on the grounds that the timeframe for implementing the new system did not allow for vendor demonstrations.

Although the RFP did not require the state librarian to allow demonstrations by vendors, allowing CARL to demonstrate its system would not have compromised the timeframe because no other vendor had submitted a proposal. Consequently, CARL filed a protest when Ameritech was selected as the vendor. The protest charged that the state librarian gave Ameritech an unfair advantage and that the selection of Ameritech had been determined from the outset.

Dynix contract award violated state procurement code

Section 103D-701 of the state procurement code prohibits the contracting agency from taking further action when a bidder submits a protest of award within five days after the protester is notified of the selection. The Hawaii Supreme Court recently ruled that the state librarian knowingly violated the law when he disregarded the state chief procurement officer's notification to delay the award of the contract until the protest filed by CARL was resolved.

The court's opinion noted: "In his zeal to have the project completed before the end of the legislative session, [the state librarian] prematurely awarded the contract in violation of law, effectively restricting CARL's opportunity to participate in a fair solicitation should it prevail on its protest."³ The court concluded that the state librarian acted in bad faith and awarded CARL attorney fees (to be determined) and its costs of preparing a bid (\$30,000).

\$730,000 payment to Baker & Taylor circumvented the code

Following the award to Baker & Taylor, the state librarian in the final contract agreed to pay the company an additional \$730,000 initial payment, for no specified purpose. This additional payment significantly changed the procurement by increasing the total cost of services. The fee had not been addressed in the RFP or the company's proposal, and therefore had not been considered during the proposal evaluation process, in which cost was supposed to count for 25 percent of the factors being considered. Adding this substantial Baker & Taylor payment to the procurement after the evaluation of proposals was unfair to the other proposers, depriving them of the fair and open competition embodied in the procurement law.

Staff Dissatisfaction Is High But They Remain Committed

Our survey of staff of all the libraries revealed widespread dissatisfaction with the reform efforts, but some support for these efforts. While many staff were upset about the reform efforts and critical of the state librarian, they were eager to help the library system improve.

Staff often expressed animosity toward the state librarian for, as they saw it, proceeding regardless of library needs and staff concerns. We believe that the state librarian needs to re-examine how his interactions with library staff, his decisions, and concerns about his special assistant could contribute to negative perceptions. We question, for example, the state librarian's decision to invite his wife, who works in the office of a top *county* official, to attend key meetings of the *state* library system as his personal advisor.

Staff survey reveals much criticism, some praise, and ideas for improvement

An impressive 72 percent of the 432 staff to whom we sent questionnaires responded—a high response rate, especially considering that we did not send follow-up letters reminding them to respond. Appendix A tabulates the results of the survey.

Outsourcing the acquisition of library materials through Baker and Taylor received the most negative staff comments. The Enhanced Services Program received the most positive comments. Suggestions were wide-ranging; for example, respondents called for better planning, communications, training, and guidelines.

Staff opinions on Project SLIMMER

More than 43 percent of the respondents to our survey felt that the first main area of reform—Project SLIMMER—was not adequately described; 59 percent felt the project was unnecessary; and 72 percent felt it was not successfully implemented.

Opinions varied on the two elements of Project SLIMMER—self-directed work teams and the Enhanced Services Program. While almost 30 percent of respondents felt that initiating the teams had improved the library system, nearly 24 percent reported no effect, and almost 43 percent felt that the teams had made things worse. Some felt that more empowerment of the individual libraries was a good idea and that the work teams gave employees more input. But nearly 44 percent said the teams gave the individual libraries no additional authority and 21 percent felt that roles and responsibilities were unclear.

The Enhanced Services Program was seen as more effective. Over 51 percent saw the program as an improvement. The program received considerable praise for collecting more revenues and helping to relieve the budget crunch. However, over 17 percent felt the program had no effect and over 20 percent felt that it had hurt the system. Many complained that money was not being returned to the individual libraries, and that charging for services has actually resulted in less use of the services and lower customer satisfaction.

Staff opinions on reengineering

Reaction to the reengineering effort was somewhat more negative than the reaction to Project SLIMMER. About 60 percent of respondents said that reengineering was not adequately described, 67 percent felt that it was unnecessary, and nearly 80 percent reported that it was not successfully implemented.

Nearly 74 percent observed that redeployment of staff to the individual libraries—a key element of reengineering—had worsened the library system, while about 7 percent said it had no effect. The most frequent

objection was that the redeployed employees could be better used in their original administrative support roles. Other criticisms were that redeployment had hurt morale, was inadequately planned, lacked sufficient staff training and input, and led to more work and less time for serving customers.

The strongest criticism was against a second element of reengineering: outsourcing the selection, acquisition, cataloging, technical processing, and distribution of library materials through Baker & Taylor. Over 90 percent of respondents said that this initiative had worsened the system, and most of this group said it had *greatly* worsened the system. Less than 2 percent saw an improvement. This outsourcing was criticized for harming the library's collections, damaging public service, lacking adequate planning and staff input, and creating more work. Some believed the contract was poorly written.

A third element of reengineering—outsourcing database access for on-line serials—was viewed more favorably. Over 48 percent said this outsourcing has improved the system, for example, by providing more full-text articles, better access to materials, and being more user-friendly. But over 35 percent said the effort had no effect (11 percent) or worsened the system (25 percent). Some said it was a good idea but did *not* provide more full text articles as promised; others said it needed more or better hardware.

Opinions on the fourth element of reengineering—outsourcing the establishment of an automation center through Ameritech (the Dynix system)—were more favorable than opinions on the outsourcing of materials acquisition, but less favorable than opinions on outsourcing a serials database. Almost 49 percent of the respondents felt the automation center effort hurt the libraries; over 11 percent said the effort had no effect. Complaints included the lack of a user assessment to identify needs, the inability of the new system to meet the needs, and not enough training. However, more than 22 percent said the effort improved the libraries.

Additional staff comments and suggestions

Our survey questionnaire invited staff to suggest improvements in the library system and to provide any other useful comments about library reform. Some staff said that the reforms contained good ideas but were not fully analyzed and thought out. Rushing the reforms and poor communications were other problems mentioned.

Suggestions included returning to the past, *not* returning to the past, providing more training, and firing the state librarian. The most common recommendation was that future decisions receive input from all staff. One employee observed that any reforms or changes to the library system

should be communicated to all library employees *before* any decision is made by the leadership team. Another employee said that staff need longer deadlines for providing management with input on important issues.

Staff had many other suggestions, for example:

- Better planning was needed—looking at all the options with their pros and cons instead of deciding on one idea and then trying to figure out how to make it work in a time frame that makes the biggest splash with the powers-that-be.
- When trying out new ideas, have a contingency plan in case the project does not work as expected. With the outsourcing of acquisitions/selection and the automation center, the system “burnt its bridges.”
- Modifying the Centralized Processing Center would have been a less drastic move and the integrity of the collection could still have been maintained. A cataloging core group would be wise for many local purchases and donations.
- While districts do not need administrators, they do each need an account clerk to help with payroll and other paperwork. Staff at the individual libraries should not have to waste their time learning the details of required forms.
- Update the operations manual, the personnel manual, and the fiscal manual. If staff are to take on more responsibilities, they need guidelines and training.

Role of special assistant is unclear

Some survey respondents expressed dissatisfaction with the special assistant to the state librarian. We believe that the position of special assistant raises significant questions.

Dissatisfaction first appeared in 1988 when the person currently holding this position was made deputy state librarian at the recommendation of the state librarian and with the Board of Education’s approval. Some observers believed that this individual lacked the background in library work to serve effectively in the deputy position. Additional controversy arose because he was a member of the Board of Education at the time he applied for the library position. Subsequently, he was made special assistant instead of deputy and in Act 134 of 1989, the Legislature established the special assistant position, which he holds to this day.

Among the special assistant’s major responsibilities, according to the job description, are conducting and directing special studies (of internal

organization, staff utilization, procedures, programs, and policies), and submitting appropriate recommendations. The position has a “special projects” focus, which is consistent with the law establishing the position (now codified as Section 312-2.2, HRS).

When the Legislature subsequently considered cutting the position, the library system responded by arguing, among other things, that the special assistant directs or oversees the conduct of special studies relating to management improvements and enhancements, new or innovative program developments, and resource management strategies. The system also said he served as a key person in the creation and implementation of Project SLIMMER.

We found, however, that the special assistant’s role in the reforms may have been quite limited and secondary. He is not a member of the reengineering team. While he has other duties that are consistent with the statute—including representing the state librarian with various outside organizations such as the Legislature—he might have been better used during the reform efforts.

We did not analyze the position in detail. However, we point out that the special assistant now earns more than the state librarian to whom he reports. The board and the state librarian should examine concerns that exist about the position and ensure that if the position is needed, it is used as effectively as possible.

***Role of family member
is inappropriate***

The survey responses revealed much anger at the state librarian for what some perceive to be his arrogance, poor communications, inattention to staff, or “headline-grabbing.” Much of the animosity is quite personal.

Bringing the library system back from its current troubles will require the state librarian to give his full attention to improving the organization’s policies, procedures, and processes. He also would be wise to re-examine his management style.

One example of this style is particularly revealing. The state librarian unapologetically invites his wife, who is an executive assistant in the office of the managing director of the City and County of Honolulu, to attend certain library business meetings as the librarian’s personal advisor. These meetings included meetings involving Ameritech, a key player in the library reform efforts.

Inviting one’s spouse to one’s official meetings is a dubious practice under any circumstances, but especially so when the spouse works at a high level in another government jurisdiction. This practice is inappropriate and insensitive, and could lead to conflicts of interest. It

could undermine faith in the objectivity of organizational decision making in the library system. In fact, a respondent to our survey raised the question of what role the state librarian's wife had in the decision to select Ameritech.

Board of Education Did Not Meet Its Responsibilities to the Library System and the Public

Section 312-1, HRS, details the policy-setting and leadership role of the Board of Education with respect to the public library system. The board's responsibilities include accounting for all money received by the library system, providing all residents with access to the libraries, and acquiring and cataloging all library books and other publications. The board is also authorized to contract as necessary to meet its responsibilities. The state librarian serves under the direction of the board. He was responsible for planning the reforms and obtaining board approval.

We found that the board fell short in carrying out its management responsibility to the library system and the public because it approved the state librarian's reform projects without sufficient review. Furthermore, the board approved the contract with Baker & Taylor after inadequate review in spite of strong indications that the contractor would be unable to meet its obligations.

Reform efforts required closer review

The by-laws of the Board of Education make its standing committees responsible for formulating policies and standards, monitoring department and public library operations, assessing the implementation of board goals, and ensuring the success of students and the public libraries. Board committees are also responsible for making recommendations to the full board.

Reform efforts proposed by the state librarian were so innovative and far-reaching that detailed review by a committee was warranted. However, the board did not have a library committee to scrutinize Project SLIMMER and reengineering before it approved these reforms in 1993 and 1995 respectively. The board eventually created a library standing committee in January 1996. But the board was remiss in not insisting that the Baker & Taylor contract be submitted to the public library committee for review in February 1996.

Board scrutiny of the state librarian's reform plans should have included asking him how he planned to measure Project SLIMMER's goals of increased employee flexibility, innovation, and commitment through the self-directed work teams. Instead, the board accepted the state librarian's presentation without question. The state librarian recognized that these goals were unmeasurable only after he implemented the first phase of Project SLIMMER. Proper scrutiny by the board might have resulted in more realistic goals.

Similarly, the state librarian's reengineering plan established ambitious goals without detailing how he would ensure the project's success. For example, he convinced the board that contracting for services formerly provided by Centralized Processing Center staff would decrease operational costs and increase customer service by redeploying central processing center staff to the branch libraries. However, the board failed to require a cost analysis to support this claim and did not demand assurances that the library system was able to monitor the vendor's performance.

Baker & Taylor contract approval was careless

Section 312-1, HRS, makes the board responsible for contracting as necessary for the library system. The board carelessly approved a 5.25-year, \$7 million contract with Baker & Taylor for the acquisition, selection, cataloging, processing, and distribution of library material. Several board members indicated that they did not read the contract in its entirety prior to its approval. Instead, they relied upon the state librarian's advice and the attorney general's review and approval of the contract. In retrospect, some board members acknowledged that they should have examined the contract more closely.

Moreover, the board approved the contract despite several indications that the vendor might not be able to successfully fulfill the contract obligations. According to the board's tape-recorded minutes for February 15, 1996, the state librarian informed the board that Baker & Taylor's successful performance depended on the implementation of an integrated library automation system to be provided by Ameritech, but that implementation was delayed due to a protest, with the resolution undetermined. Yet, the board approved the contract in spite of this information.

The board should also have used caution in approving the contract because complete outsourcing of a library system's acquisition, selection, cataloging, processing, and distribution had not occurred anywhere else nationwide. Section 103D-104, HRS, requires that a responsible bidder demonstrate the capacity to fully perform the contract requirements. There was no assurance that Baker & Taylor had this capacity because it had never performed the scope of services set forth in the request for proposal.

It would have been prudent for the board to require the state librarian to pilot test the outsourcing of these services. For example, a pilot could have been limited to certain libraries or certain types of materials. A pilot test would have enabled evaluation of a vendor's ability to provide the services and to identify and correct problems, including those relating to the quality of material selection, with the least impact on the system.

Finally, the board should have questioned the addendum to the general terms and conditions of the contract, which said that all performance measures in the contract were *only* goals and that Baker & Taylor's failure to achieve any or all of the performance targets would not constitute an event of contract default. This contract language was added when Baker & Taylor expressed concern about its ability to carry out the contract. The state librarian informed the blue ribbon panel that looked into the Baker & Taylor situation, that the performance measures were described as goals because the company felt that the pending protest over the automation system contract would make it difficult to meet the performance measures.

The board's approval of the Baker & Taylor contract also failed Hawaii's taxpayers because the contract allowed the company to be paid prior to receipt of any goods and services. This method of payment was supposed to save the State 60 cents per item; however, it was not consistent with the library system's policy requiring receipt and acceptance of goods prior to payment. Furthermore, the board should have demanded that the contract clearly identify what the \$730,000 initial payment to Baker & Taylor was for. The state librarian insists that the payment was for library materials; however, Baker & Taylor claims it was strictly for start-up costs. Had the board insisted upon clarity in the contract, this would not be a disputed issue.

Board did not identify a lack of procurement authority

Until recently, Section 103D-203, HRS, designated the superintendent of education as the chief procurement officer of the Department of Education. Because the library system is under the jurisdiction of the Department of Education, only the superintendent of education—and not the state librarian—had legal authority to execute any of the three contracts the librarian approved as part of reengineering. The board should have recognized this designation and required the state librarian to seek delegated authority as allowed under Section 103D-208, HRS.

The chief procurement officer of the state procurement office had inappropriately delegated the authority to the librarian. Proper delegation from the superintendent of education was only sought later.

Act 352, SLH 1997 now exempts the public library from the authority of the superintendent of education for procurement and makes the administrator of the state procurement office the chief procurement officer of the library system.

Missing Art Work Raises Questions

During our audit, we found that the library system is unable to locate two paintings by Charles Bartlett, each reportedly valued in the \$25,000 to \$50,000 range, that hung in the Hawaii State Library prior to its renovation. We did not pursue this matter in detail because it did not directly relate to our audit objectives. However, because of the significant value of the art work, a future investigation by an appropriate authority seems advisable.

Conclusion

Experts have suggested that “learning to manage change is the prime requirement for any successful library manager” and that the key to success is “guiding the process in such a manner that it will renew itself rather than fall into chaos.”⁴ We believe that these statements apply with particular force to efforts to change an entire *system* made up of many libraries, as was attempted in Hawaii.

Following approval of the 1991 master plan, Hawaii’s state librarian embarked on major reforms—some mentioned in the master plan or its amendments and some not—designed to make Hawaii’s public library system more cost-effective during budget constraints. While his vision may have had potential, his management of the reform process resulted in confusion and harm to the libraries. One library employee observed that the state librarian “is a great visionary but a poor follow-up type person.” Staff dissatisfaction is high because of problems with the reforms, the state librarian’s management approach, and the role of his special assistant. The Board of Education, the policy-making body for the library system, might have prevented many of the problems had it more closely examined the state librarian’s plans and the contracts with vendors upon which so much depended.

Recommendations

1. The state librarian should plan for the future of the library system by identifying structural and procedural changes that will improve operations. He should plan in comprehensive detail the steps needed to guide any change. To ensure the effectiveness of the system the state librarian should make the following his priority:
 - a. Updating functional statements to clearly define position descriptions and responsibilities of staff;
 - b. Clearly identifying and planning for any increased decision-making authority to be delegated to the branch libraries; and

- c. Planning for and providing training to assist staff in their transition to their new roles and increased responsibilities.
2. The state librarian should ensure meaningful input from staff of the individual libraries when implementing reform efforts that will directly affect them.
3. The state librarian should establish criteria and guidelines for implementing each of the enhanced services. Furthermore, he should ensure that enhanced services fees are distributed to and expended by branch libraries as required by Chapter 312, HRS.
4. The state librarian should ensure more effective planning for current and future library material acquisition, selection, and cataloging needs. Better planning should include more analysis of options, realistic timeframes, and fall-back alternatives. Furthermore, the librarian should continue efforts to redeploy library catalogers to assist with cataloging needs in order to address the immediate backlog of library materials currently unavailable to the public.
5. The Automation Advisory Group should identify current and future management information needs and address how these needs can be met through the library's automation system.
6. The state librarian should develop management controls to assess whether vendors provide the contracted goods and services on a regular basis. Payment should be withheld for noncompliance with contracts.
7. The state librarian and the Board of Education should examine the position of special assistant to the state librarian to ensure that if the position is needed, the resources committed to it are used as productively as possible.
8. The state librarian should develop better working relationships with staff of the libraries and reconsider personal decisions—such as inviting his wife to key meetings—that can create negative perceptions.
9. The Board of Education should more closely review major policy and management initiatives of the public library system by insisting on detailed plans, scrutinizing the plans, asking appropriate questions, evaluating information presented, and monitoring progress. The board should also more carefully review proposed contracts before approval.

Appendix A

RESULTS OF OUR SURVEY OF STAFF OF THE INDIVIDUAL LIBRARIES CONCERNING THE REFORM EFFORTS OF THE PUBLIC LIBRARY SYSTEM

GENERAL VIEWS ON THE REFORM EFFORTS:

	Was the reform effort adequately described?		Was the reform effort necessary?		Was the reform effort successfully implemented?	
	Percentage of YES responses	Percentage of NO responses	Percentage of YES responses	Percentage of NO responses	Percentage of YES responses	Percentage of NO responses
Project SLIMMER	48.7	43.2	28.1	59.4	16.8	71.5
Reengineering Project	32.5	60.1	20.6	67.2	10.0	79.1

Note: Percentages total less than 100% because some respondents said they were unaware of the reform effort and some gave no response.

GENERAL VIEWS ON SELF-DIRECTED WORK TEAMS:

	Percentage of respondents indicating they had input in implementing this change	Respondents' rating of the effectiveness of the change to the system:				
		Greatly improved	Somewhat improved	No effect	Somewhat worsened	Greatly worsened
	17.9%	2.3%	27.1%	23.5%	26.8%	16.1%
Respondents' explanations of their rating of the effectiveness of work teams:		Percent*				
No additional authority		43.9				
Made roles and responsibilities unclear		20.8				
Gave employee more input		17.9				
Worked as a team already		10.6				
Entails more work		9.3				
System overall did not change		8.7				
Training needed for new roles		7.7				
More empowering and more effective		3.8				
Moving decision making to branch is good idea		3.5				
Other explanation		21.5				
Provided no explanation		16.7				

*Some respondents provided several explanations. In such cases, we recorded only the first three explanations.

GENERAL VIEWS ON ENHANCED SERVICES:

	Percentage of respondents indicating they had input in implementing this change	Respondents' rating of the effectiveness of the change to the system:				
		Greatly improved	Somewhat improved	No effect	Somewhat worsened	Greatly worsened
	28.9%	7.1%	44.2%	17.7%	16.8%	3.5%
Respondents' explanations of their rating of the effectiveness of enhanced services:		Percent*				
Collects more revenues; also helps relieve budget crunch		37.8				
Object to not having money returned to the branches		26.3				
Charging for services results in less use of the services and lowers customer satisfaction		14.7				
Need clearer instructions and guidance		9.9				
Feel customized research should not be charged		8.3				
Creates more work and responsibilities		4.2				
Fairly good idea but not fully thought out		2.2				
Every library has developed their own rules		1.6				
Pits libraries against each other for the sake of money		1.0				
Other explanation		24.4				
Provided no explanation		24.4				

*Some respondents provided several explanations. In such cases, we recorded only the first three explanations.

GENERAL VIEWS ON THE REDEPLOYMENT OF STAFF TO THE BRANCHES:

	Percentage of respondents indicating they had input in implementing this change	Respondents' rating of the effectiveness of the change to the system:				
		Greatly improved	Somewhat improved	No effect	Somewhat worsened	Greatly worsened
	2.6%	1.3%	8.8%	7.1%	31.5%	42.2%
Respondents' explanations of their rating of the effectiveness of work teams:		Percent*				
Redeployed employees are better used in their original support roles		36.9				
Morale low because of redeployment		22.8				
Decisions made without adequate planning		22.8				
Redeployed staff need more training		19.9				
Decisions made without adequate input		11.2				
Created more work		10.6				
Redeployment helped the libraries with less staff		9.3				
Results in less time for serving customers		7.1				
Other explanation		15.7				
Provided no explanation		20.5				

*Some respondents provided several explanations. In such cases, we recorded only the first three explanations.

GENERAL VIEWS ON OUTSOURCING LIBRARY MATERIALS ACQUISITIONS WITH BAKER & TAYLOR:

	Percentage of respondents indicating they had input in implementing this change	Respondents' rating of the effectiveness of the change to the system:				
		Greatly improved	Somewhat improved	No effect	Somewhat worsened	Greatly worsened
	0.6%	0.3%	1.3%	1.9%	16.7%	74.0%
Respondents' explanations of their rating of the effectiveness of outsourcing the acquisition of library materials:		Percent*				
Collection is worse off		38.1				
Selection should never be outsourced		26.6				
B&T was inexperienced, performed poorly, and was at fault		25.6				
Resulted in bad public image and customer service		16.7				
Decision made without thorough analysis; needs better planning		15.1				
Cataloging should be done in-house		13.5				
Decision made without adequate input from staff		9.9				
Created more work		8.3				
Poorly written contract		8.0				
B&T not entirely to blame, library system failed to fulfill its role		2.2				
Technical processing can be outsourced if it is beneficial		1.6				
Acquisitions should be outsourced		1.3				
Other explanation		10.6				
Provided no explanation		21.5				

*Some respondents provided several explanations. In such cases, we recorded only the first three explanations.

GENERAL VIEWS ON OUTSOURCING DATABASE ACCESS FOR ON-LINE SERIALS:

	Percentage of respondents indicating they had input in implementing this change	Respondents' rating of the effectiveness of the change to the system:				
		Greatly improved	Somewhat improved	No effect	Somewhat worsened	Greatly worsened
	6.4%	12.6%	35.5%	11.0%	18.4%	6.1%
Respondents' explanations of their rating of the effectiveness of outsourcing for on-line serials:		Percent*				
Eliminated people browsing and decreased physical serials		30.8				
IAC provides more access to materials		22.8				
IAC provides more full text articles		16.3				
Good idea but did not fulfill promises of more full text articles		15.7				
Need more or better printers and terminals lacking		14.1				
IAC is good; better than previous system		12.5				
Could have made improvements if given more thought		8.3				
System often down and serials become inaccessible		4.5				
IAC is easier to use, more user friendly		1.6				
Implementation should have been phased in, not all at once		1.0				
Other explanation		10.9				
Provided no explanation		28.8				

*Some respondents provided several explanations. In such cases, we recorded only the first three explanations.

GENERAL VIEWS ON THE ESTABLISHMENT OF THE AUTOMATION CENTER:

Percentage of respondents indicating they had input in implementing this change	Respondents' rating of the effectiveness of the change to the system:				
	Greatly improved	Somewhat improved	No effect	Somewhat worsened	Greatly worsened
2.6%	1.6%	20.9%	11.3%	29.3%	19.6%
Respondents' explanations of their rating of the effectiveness of establishing the automation center:				Percent*	
No user assessment done to obtain user needs				31.7	
Dissatisfaction with Dynix system's ability to satisfy their needs				25.0	
Service needs improving				17.6	
New system better than old system				13.5	
More training needed				13.1	
Ameritech not meeting its obligations				6.4	
E-mail is an improvement				3.2	
Computer contract resulted in more costs; funds could have been used to buy books				1.6	
Other explanation				19.9	
Provided no explanation				32.7	

*Some respondents provided several explanations. In such cases, we recorded only the first three explanations.

GENERAL SUGGESTIONS FOR FUTURE EFFORTS TO IMPROVE THE LIBRARY SYSTEM:

Respondents' suggestions for future efforts to improve the Public Library System:	Percent*
Future decisions should receive input from all staff	26.3
Fire state librarian	17.0
Fire special assistant	9.3
Concerned with poor communications	7.4
Want more training	6.7
Redeploy people back to original positions	4.8
Good ideas but not fully analyzed and thought out	4.8
Return to previous organizational structure	4.2
Return to "in-house" technical services	3.5
Eliminate Training Organization Team	3.2
Fire Board of Education	1.9
Redeployed staff need training	0.6
Other suggestions	35.3
Provided no suggestions	45.5

*Some respondents provided several suggestions. In such cases, we recorded only the first three suggestions.

Appendix B

Timeline of Events and Meetings Between the Library System, Ameritech, and Maui High Performance Computing Center

<u>Date</u>	<u>Meeting/Action Taken</u>
Summer 1994	State librarian meets with Ameritech staff and discusses dissatisfaction with the existing Data Research Associates (DRA) computer system and his plans to implement a reengineering project.
Fall 1994	Ameritech sales representative attends Hawaii Library Association conference and meets with library system staff to obtain information on changes with the library system. Ameritech presents library system with a cost estimate for a "stand-alone system" and an "automation center type system."
February 1995	Maui High Performance Computing Center contacts state librarian to discuss possibility of providing library system with a computer-based information service.
March 1995	Ameritech provides library system with cost proposal for computer automation system. State librarian appoints three library staff employees to library system's reengineering team.
May 1995	Maui High Performance Computing Center receives an initial contract to provide library system with Internet access.
June 1995	State librarian informs Maui High Performance Computing Center to delay implementing the Internet access until library system's reengineering project is completed.
July 1995	State librarian meets with staff from Maui High Performance Computing Center and allows a representative from the center to sit on library system's reengineering team.

August 1995

A member of the library system's reengineering team contacts Ameritech to obtain general information on the type of software needed to establish a management information system to meet the future needs of reengineering.

State librarian informs Ameritech that he is interested in products compatible with the Maui High Performance Computing Center's system.

State librarian and representative from Ameritech meet with staff at Maui High Performance Computing Center to discuss center's role in automation of the library system.

State librarian discusses timeline for installation of automation system with Ameritech staff.

September 1995

Ameritech and Maui High Performance Computing Center exchange information to assist Ameritech in the preparation of its cost proposal.

State librarian informs chief procurement officer about library system's reengineering efforts and requests assistance from procurement office in drafting several request for proposals (RFPs).

Ameritech provides library system with a sample RFP.

October 1995

RFP-96-1 is issued requesting proposals for automation of library system.

A state library employee prepares an action plan for the implementation of Ameritech's system through Maui High Performance Computing Center.

DRA withdraws as a possible proposer indicating that they believe library system had already selected a vendor.

Ameritech and CARL submit proposals to library system.

Ameritech is notified that it has been selected to provide automation services.

November 1995

RFP-96-1 is canceled due to (1) the failure to publish notice in the paper before the RFP was distributed to various vendors, and (2) insufficient preparation time for a proposal.

RFP-96-4 is issued requesting services for automation of library system.

December 1995	Ameritech and CARL submit proposals.
	Ameritech and CARL are notified that Ameritech has been selected.
January 1996	CARL files letter of protest with chief procurement officer alleging (1) an evaluation period of one day is inadequate, (2) CARL was not permitted the opportunity to demonstrate its product, and (3) the implementation schedule was unrealistic.
	State librarian is instructed by chief procurement officer to delay award of contract pending CARL's protest.
February 1996	State librarian seeks approval from chief procurement officer to award contract to Ameritech on the grounds that it is in the substantial interest of the State.
March 1996	Chief procurement officer authorizes state librarian to award contract to Ameritech without delay to protect the substantial interest of the State.
	CARL files a request for hearing with the Department of Commerce and Consumer Affairs (DCCA), Office of Administrative Hearings.
August 1996	DCCA hearings officer concludes the numerous meetings between the state librarian and Ameritech are not prohibited by the Hawaii Revised Statutes; however, the entire evaluation process was flawed.
	Library system reevaluates proposals and selects Ameritech.
August 1997	CARL appeals hearings officer's decision to the Supreme Court.
	Supreme court rules the award of the contract to Ameritech violated Chapter 103D-701(f), which prohibits the award of a contract when a timely protest is made. The court awards CARL the costs of its bid preparation and attorney fees. Hearing officer is required to ratify or terminate the contract with Ameritech.

Notes

Chapter 1

1. Hawaii State Public Library System, *Customer Satisfaction: A Master Plan for Public Libraries, Amendments/Revisions to the Master Plan*, November 1994, p. 19.

Chapter 2

1. United States General Accounting Office, *Business Process Reengineering Assessment Guide*, April 1997, Version 3, p. 11.
2. *CARL Corporation v. State of Hawai'i Department of Education, Hawaii State Library System v. Dynix, Inc.*, 85 Hawai'i 431, p. 449, footnote 17 (1997).
3. *Ibid.*, p. 452.
4. Robert D. Stueart and Barbara B. Moran, *Library Management*, 3d ed., Littleton, Colorado, Libraries Unlimited, Inc., 1987, p. 224.

Responses of the Affected Agencies

Comments on Agency Responses

We transmitted drafts of this report to the Board of Education and the state librarian on December 31, 1997. A copy of the transmittal letter to the Board of Education is included as Attachment 1. A similar letter was sent to the state librarian. The Board of Education's response is included as Attachment 2. The state librarian's response is included as Attachment 3.

The board acknowledged that the audit report raises serious concerns regarding the management of the Hawaii State Public Library System. The board indicated that it will address the concerns and closely scrutinize all future library system contracts and major initiatives prior to approval.

The board contended that it relied upon the state librarian, the state procurement officer, and the Department of the Attorney General for the technical and legal details of the three reengineering initiatives. The board said that our report unfairly criticizes it for not realizing that the state librarian was not authorized to execute the three reengineering contracts on behalf of the library system. However, we reaffirm that Section 312-1, HRS, makes the board responsible for contracting as necessary for the library system.

The state librarian said that our nine audit recommendations are sound, reasonable, and already under way. He indicated that an action plan to achieve these recommendations and those goals and objectives contained in the library system's master plan will soon be reviewed by the board.

However, the state librarian hoped we would modify our findings and recommendations and he provided attachments for our review. We reviewed the documents he provided and stand by our findings and recommendations. The state librarian did not comment on our finding that hastily contracting for services without establishing management controls has undermined performance and increased costs.

After considering the state librarian's comments, we revised the language of our draft report concerning the special assistant to the state librarian, to clarify our stand.

The state librarian said we were incorrect in accusing him of implementing enhanced services fees from September 7, 1993 to December 31, 1995, without administrative rules. In addition to his response, he provided us with other documents indicating that rules were

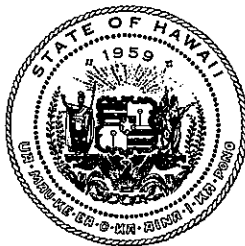
adopted in 1993 for some enhanced services. Those rules had been scattered, and were consolidated with additional rules in January 1996. As a result, we revised our draft.

In addition, the state librarian said that we incorrectly listed Kihei Public Library as a public and school library. Our listing was based on information provided by the Office of the State Librarian. We have amended the draft to reflect the state librarian's concern.

The state librarian also indicated that we inaccurately stated the mission of the library system based on the 1991 master plan. He states the mission was revised in 1994 when the master plan was amended. However, there is some confusion on this point. For one thing, the language that the state librarian quotes from the amended master plan first appears in the amendments as a "vision" statement for Project SLIMMER and subsequently appears in the amendments as a "vision" statement for the plan. It is not clear that it is a statement of the system's "mission." Furthermore, the amendments were intended to be a "complementary addendum" to the 1991 master plan. Nevertheless, we revised our draft to incorporate the essence of the vision statement, labeled neither as a mission nor as a vision.

We made a few editorial changes to our draft report for the purposes of clarity, consistency, and style.

STATE OF HAWAII
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917



MARION M. HIGA
State Auditor

(808) 587-0800
FAX: (808) 587-0830

December 31, 1997

COPY

Ms. Karen Knudsen, Chair
Board of Education
Department of Education
Queen Liliuokalani Building
1390 Miller Street
Honolulu, Hawaii 96813

Dear Ms. Knudsen:

Enclosed for your information are 14 copies, numbered 6 to 19 of our draft report, *Management Audit of the Public Library System*. We ask that you telephone us by Monday, January 5, 1998, on whether or not you intend to comment on our recommendations. Please distribute the copies to the members of the board. If you wish your comments to be included in the report, please submit them no later than Monday, January 12, 1998.

The Hawaii State Public Library System, the Governor, and presiding officers of the two houses of the Legislature have also been provided copies of this draft report.

Since this report is not in final form and changes may be made to it, access to the report should be restricted to those assisting you in preparing your response. Public release of the report will be made solely by our office and only after the report is published in its final form.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Marion M. Higa'.

Marion M. Higa
State Auditor

Enclosures



STATE OF HAWAII
BOARD OF EDUCATION

P. O. BOX 2360
HONOLULU, HAWAII 96804

January 12, 1998

RECEIVED

JAN 12 4 10 PM '98

OFF. OF THE AUDITOR
STATE OF HAWAII

Ms. Marion M. Higa
State Auditor
Office of the Auditor
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917

Dear Ms. Higa:

Re: Comments to the Management Audit of the Hawaii State Public Library System

The Board of Education is fully cognizant of its responsibilities to the Hawaii State Public Library System (HSPLS) and the public. However, the Board by necessity must rely upon the professional judgement and expertise of the State Librarian, the Department of the Attorney General, and other governmental agencies with regard to decisions affecting the public library system.

While the Board approved the three reengineering initiatives discussed in the audit, the development and implementation of the technical and legal details were left to the State Librarian, the State Procurement Officer, and the Department of the Attorney General. In fact, when certain terms of the Baker & Taylor contract were informally questioned, the Board was advised that it should not be concerned with the specifics of the contract, that the responsibility lay with another state agency. The audit also unfairly criticizes the Board for not realizing that the State Librarian was not authorized to execute the three reengineering contracts on behalf of the library system even though the Department of the Attorney General reviewed and approved all of the contracts.

In response to growing concerns regarding the Baker & Taylor contract, the Board established a Blue Ribbon Panel to review the company's performance. The State Librarian has also been clearly advised of the Board's expectations regarding his management of the public library system and that his continued employment is subject to his meeting a number of conditions.

The audit does, however, raise serious concerns regarding the management of the Hawaii State Public Library System. Each and every one of the concerns identified in the audit will be addressed by the Board and the public will be fully informed as to any corrective action taken. In addition, the public may be assured that all future contracts involving the Hawaii State Public Library System, as well as any major public library initiatives, will be closely scrutinized by the Board of Education prior to approval.

Sincerely,

Karen Knudsen
for KAREN KNUDSEN
Chairperson

cc: Members, Board of Education

BENJAMIN J. CAYETANO
GOVERNOR



BARTHOLOMEW A. KANE
STATE LIBRARIAN

STATE OF HAWAII
DEPARTMENT OF EDUCATION
HAWAII STATE PUBLIC LIBRARY SYSTEM

465 SOUTH KING STREET, B-1
HONOLULU, HAWAII 96813

OFFICE OF THE STATE LIBRARIAN

January 12, 1998

RECEIVED

JAN 12 4 17 PM '98

OFC. OF THE AUDITOR
STATE OF HAWAII

TO: Mrs. Marion Higa, State Auditor
Office of the Auditor

FROM: Bartholomew A. Kane
State Librarian *Bartholomew A Kane*

SUBJECT: Comments to the Management Audit of the
Hawaii Public Library System

Thank you for the opportunity to respond to your draft Management Audit of the Hawaii State Public Library System.

I hope the facts and figures I report will cause you to reanalyze your five Summary of Findings and nine Recommendations. Hopefully these reanalyses will result in some modification to these findings and recommendations.

Finding #1. State Library Innovations: A Model for Maximizing Employees and Revenues (Project SLIMMER) failed to achieve its goals of increasing decision making authority at the individual libraries and did not increase non-general fund revenues as much as intended. SLIMMER did create self-directed work teams throughout the Hawaii State Public Library System (HSPLS) in three phases over three years with appropriate outside evaluation at Phases I and II. Teams do have more decision-making authority than formerly. In Exhibit 2, they have decision-making now that they did not have for step 1, housekeeping; step 2, training each other; step 4, production scheduling; step 8, external customer contact; step 9, hiring team members; step 10, cross functional teaming; step 11, vacation scheduling; step 12, choosing team leaders; step 14, facility design; step 15 budgeting; and step 16, product modification and development.

Project SLIMMER has not generated the revenue assumptions assumed on December 16, 1992, but it has generated revenues that exceed the goal of 10 per cent of general fund revenues. Each dollar generated since FY 1993 is a dollar that would not have been available without Project SLIMMER. Therefore the taxpayer, library customer, and library employees have all benefited from SLIMMER's revenues.

Project SLIMMER Revenues

	Fines & Lost Books	Enhanced Service Fees	Total
FY 1993	576,026.94		576,026.94
FY 1994	759,753.45	297,351.31	1,057,104.85
FY 1995	781,737.82	358,065.18	1,139,803.00
FY 1996	904,106.13	451,045.46	1,355,162.59
FY 1997	885,792.88	478,974.40	1,364,767.28
FY 1998 (first six months)	631,091.49	287,140.84	918,232.33

Finding #2. The redeployment of staff from non-customer-contact positions to the individual libraries has not demonstrated improved customer service and cost savings.

There are four facts that should cause a re-examination of this finding:

- (1) Governor Cayetano ordered a proposed budget cut of \$3.5 million and \$4.685 million for FY 1996 and FY 1997, respectively, in July 1995. An alternate plan including redeployment of staff from non-customer-contact positions to the individual libraries reduced the cuts to \$2.6 million and \$2.1 million, "saving" the library system and its customers a total of 3.485 million. The average cost of a unit of circulation was \$3.57 in FY 1993 and \$2.76 in FY 1997, an efficiency savings of 20%.
- (2) The days, nights and hours of public service increased 19 per cent from March 1, 1995 to January 1, 1996 and continue today, only because of the redeployment of non-customer-contact staff. Attached is the e-mail cutting back days and hours of service of March 1, 1995, and the individual library schedules revealing the +19% gain effective January 1, 1996. (Attachment 1).
- (3) Customer usage has gone up and continues to increase daily, monthly, annually for three years in a row now as evidenced by the attached chart. (Attachment 2).
- (4) Customer satisfaction has increased from 1992-1996. Even with all the bumps in the road and negative publicity, library customers gave its library the highest overall score of 8.93 (1-10, low to high) in comparison to scores of 8.81 and 8.83 in 1992 and 1994, respectively.

Finding #4. Staff dissatisfaction with the reform efforts and with the state librarian is widespread. His questionable decisions and the unclear role of his special assistant may be contributing to the dissatisfaction.

Act 134 states:

"The state librarian shall appoint a special assistant to the state librarian who shall serve at the pleasure of the state librarian and shall generally assist the state librarian, as the state librarian may require, in the initiation, direction, or monitoring of administrative or managerial special projects, studies, investigations, and any other assignments that the state librarian determines to be necessary. In addition, the special assistant shall, as the state librarian may direct, serve as the state's librarian's representative to, and monitor and apprise the state librarian of the activities of the various national, regional, state, and local organizations and committees in which the state librarians has membership, participation, or interest."

The special assistant to the state librarian major function areas are:

1. Recommends to the state librarians findings from reports, studies, financial or budgetary matters.
2. Advises and counsels state librarians by providing pertinent information and point out workable alternatives.
3. Prepares, formulates, and implements internal administrative policies and procedures.
4. Submits recommendations to the state Librarian after conducting special studies.
5. Confers with Leadership Team to resolve problems and implements recommendations approved by the state librarian for programmatic improvement.
6. Liaison for the department with officials and representatives from legislature and government agencies, unions, community groups, public and private organizations to coordinate administrative matters relating to public library programs.

The special assistant to the state librarian has accomplished the following:

Initiated the collection agency program
Initiated the Foundation Golf Tournament
Got previous administration to separate CIP & R&M
from DOE matrix

Classification Study and Update
7-Day Public Service Issue
Omnitrak Survey
Design Team Leader

Established contact with a nationally
recognized mainland consulting firm.
Consulting firm assisted to establish the
parameters for Project

Visited mainland private self-directed team
operation and formalized method in the
establishment of HSPLS' self-directed work
teams.

Assisted State Librarian in the establishing the
Reengineering and Team Organizational Training
units to assist in the reform and training of
HSPLS' self-directed work teams.

The special assistant to the state librarian still remains
my "Chief-of-Staff" and management team manager.

Finding #5. The Board of Education (BOE) did not meet all its
responsibilities for the library system. Your finding is
based, in part, on the evidence that the Board did not create a
library standing committee until January 1996. However, the
evidence is that the Board did provide appropriate review and
approval to Project SLIMMER and the Reengineering Project.

- August 24, 1992, BOE Business Services Committee approved
HSPLS CIP Matrix 1992-2000 as a result of the Customer
Satisfaction ... A Master Plan for Public Libraries
- November 12, 1992, BOE approved July 1992 Employee Attitude
Survey
- December 18, 1993, BOE reviewed Project SLIMMER
- January 16, 1993, BOE approved Project SLIMMER
- March 11, 1993, BOE approved 1992 Customer Satisfaction
Survey
- May 24, 1993, BOE approved Self-Directed Work Team
Feasibility Study
- May 26-28, 1993, BOE conducted 10 public hearings on
enhanced fees for the administrative rules
- June 18, 1993, BOE approved enhanced fees administrative
rules

- August 25, 1993
 - September 22, 1993
 - October 25, 1993
 - November 21, 1993
- } BOE Committee on Project SLIMMER
review progress and work products
- January 19, 1994, BOE approved Self-Directed Work Team Pilot Program
 - January - August 1994, BOE member Francis McMillen on master plan amendment committee
 - May 26, 1994, BOE reviewed draft of master plan amendments
 - August 24, 1994, BOE approved master plan amendments and BOE approved Self-Directed Work Team, Phase II
 - March 23, 1995, BOE reviewed Reengineering Plan, and referred it to the BOE Personnel Committee
- May 30, 1995
 - June 13, 1995
 - July 18, 1995
 - September 12, 1995
 - November 7, 1995
- } BOE members Kelly King and Francis McMillen served on the HSPLS Reengineering Project Advisory Committee meetings along with (1) Merlene Akau, Business Agent of the United Public Workers Association; (2) Earl Anzai, Director of the Department of Budget and Finance; (3) Susan Ichinose, President of the Hawaii State Library Foundation; (4) Alan Isobe, Commissioner of the Oahu Advisory Library Commission; (5) Carolee Kubo Business Agent of the Hawaii Government Employees Association; (8) Michael Machado, Commissioner of the Kauai Library Advisory Commission; (9) Carol Schaafsma, President of the Friends of the Library of Hawaii; (10) Akiko Takashashi-Brookfield, Vice President of Bank of America of Hawaii; (11) Tatiana Trailov, Commissioner of the Maui Library Advisory Commission;

and (12) Lucien Wong, Vice
President of Castle & Cooke.

- May 3, 1995, BOE Personnel Committee approved Reengineering Plan
- May 25, 1995, BOE approved Reengineering Plan
- August 18, 1995, BOE Personnel Committee approved personnel redeployments

In addition to all the foregoing formal actions, the BOE gets reports from the State Librarian at all regular BOE meetings on operations and problems. The BOE also reviews and approves operating and CIP budgets for submission to the Governor and the Hawaii State Legislature. The BOE performed its fiduciary responsibilities with the Governor and the Hawaii State Legislature agreeing in 1992, 1993, 1994, 1995, 1996, and 1997 clearly identifying Project SLIMMER and the Reengineering Project in its budgets and legislation sought and enacted.

Attachment 3 is the House of Representatives resolution that attests to this legislative review process and its high esteem for the HSPLS Reengineering Project.

Draft Management Audit, pages 15-16 accuses the State Librarian and Board of Education of implementing enhanced services fees from September 7, 1993 to December 31, 1995 without administrative rules which is false.

- BOE held 10 public hearings statewide May 26-28, 1993
- BOE approved administrative rules June 18, 1993 and submits the rules to the Office of the Governor
- Governor signs administrative rules August 11, 1993 and files in the Lt. Governor's Office for ten days to become effective.
- HSPLS puts administrative rules into effect September 7, 1993 (the day after Labor Day) after press releases announcing rules and distribute thousands of copies of attached flyer to library customers. (Attachment 4).

The mission statement on page 1 of the draft management audit is incorrect. The one quoted is from the 1991 Master Plan and was amended in 1994 and states: "The Library will be an important cultural and social asset by meeting the public's individual needs for timely access to materials and resources for reading and lifelong learning through a quality managed system." The latter is BOE approved and submitted as part of HSPLS' testimony to the 1995, 1996, 1997 and 1998 Hawaii State Legislatures.

HSPLS has twelve, not thirteen public and school libraries as stated on page 1 of the draft management audit. Kihei Public Library is incorrectly listed on page 5 of the draft management audit as "Kihei Public and School Library."

Mrs. Marion Higa
January 12, 1998
Page 7

The nine recommendations of the draft Management Audit are sound and reasonable. Each of the nine is underway already, previous to the issuance of the draft report. An action plan to achieve these recommendations as well as those goals and objectives contained in the HSPLS' master plan will be reviewed and analyzed by the BOE at its next development workshop, Saturday, January 24, 1998.

In closing, as I testified at the 1997 Hawaii State Legislature, I welcome a third party review of the HSPLS reform. The reform measures are evolving and will be subject to many more evaluations such as yours.

Thank you for your draft audit.

Attach.

CC:
Subj: Library Hours

February 13, 1995

TO: All Public Libraries through District Administrators
FROM: Bartholomew A. Kane, State Librarian
SUBJECT: PUBLIC LIBRARY HOURS EFFECTIVE MARCH 1, 1995

Thank you for your hard work and dedication to your customers and the Hawaii State Public Library System, particularly in this time of dire financial crisis in our State government.

In response to the budget cuts we have taken in the Waihee budget and
Press RETURN for more...

MAIL>

#5 13-FEB-1995 10:50:49.94 NEWM
the further restrictions announced by Governor Cayetano, we have frozen more than 70 vacant positions and have reduced our spending for all but the most essential services to keep our libraries operational.

As I have announced to the Board of Education, I cannot expect this Public Library System to continue to be open the same number of hours that we began with in the spring without compromising our employees who continue to serve the public.

I am, therefore, requesting that you discuss with your respective staffs, your recommendations for public service hours which will begin on March 1, 1995. I would ask that you consider the following parameters in developing your hours:

7 day libraries will go down to ⁶ days.
6 day libraries will go down to 5 days.
5 day libraries will stay at 5 days unless of dire circumstances.
If you open Saturdays and/or Sundays, please provide for these days.
If you are open evenings, please provide for these hours.

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You may choose to adjust your schedule with morning hours closed (1 shift). Please consult with neighboring libraries to provide as board a range of hours as possible.
Please keep in mind your customers' needs as much as possible.
Your workload will be supported by proportionate existing resources.

If you are still short staffed meeting these parameters, please discuss this with your District Administrator who will be allowed to deploy employees on the following basis:

1. Employees who volunteer.
2. Employees with the deployment clause in the position description.

3. Any other employee as determined by the District Administrator or the State Librarian.

While I am aware that several of you have been discussing the possibility of these changes, we will need to move quickly in order not to overburden our existing staffs with difficult schedules while we reduce our emergency hires and substitutes beginning today.

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MAIL>

#5

13-FEB-1995 10:50:49.94

NEWS

I propose to announce your revised public service hours on Wednesday, February 15, 1995, which provide the public and our employees with a two-week notification period.

I will be discussing the changes in schedule at the Board of Education meeting on Thursday, February 16, 1995.

To meet such a timetable I will need your recommendations by close of business Tuesday, February 14, 1995.

While it will obviously be a hectic task, I know that you will be able to do your best to meet this sudden deadline and I look forward to your thoughts and recommendations.

Again, thank you for your hard work and dedication to your customers and the Public Library System.

MAIL>

%MAIL-E-NOMOREMSG, no more messages

CURRENT LIBRARY SCHEDULE

S. N.	CC	LOC	BU-I	SU-O	MO-I	MO-O	TU-I	TU-O	WE-I	WE-O	TH-I	TH-O	FR-I	FR-O	SA-I	SA-O
970	3000	IMP			9:00 AM	4:30 PM	9:00 AM	4:30 AM	9:00 AM	4:30 PM	9:00 AM	4:30 PM	9:00 AM	4:30 PM	9:00 AM	4:30 PM
980	3600	ISL-Adm			10:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
970	4080	Alm			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
820	4100	Ewa Beach			1:00 PM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
920	4200	Milani			1:00 PM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
020	4300	New City			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
920	4350	Sm I st			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
920	4400	Waialua			9:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
920	4450	Waialua			9:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
920	4500	Wahiawa			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
920	4950	Waipahu			12:00 PM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
930	5050	Aiea Hialeah			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
930	5100	Lawell Kal			1:00 PM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
930	5150	Kalaheo			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
930	5200	Kalaheo			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
930	5250	Kalaheo			1:00 PM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
930	5300	Kalaheo			1:00 PM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
930	5400	Kalaheo			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
930	5450	Manoa			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
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910	6050	Born			12:00 PM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
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940	6150	Hilo			9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
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940	6250	Hilo			12:00 PM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
940	6300	Kahe Kona			10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM	10:00 AM	6:00 PM
940	6350	Keau			9:00 AM	6:00 PM	12:00 PM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
940	6400	Kualapuu			11:00 AM	6:00 PM	10:00 AM	6:00 PM	9:00 AM	6:00 PM	10:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
940	6450	Lupu			12:00 PM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
940	6500	Maui View			12:00 PM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
940	6550	Palala			12:00 PM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
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950	7200	Maui			9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
960	7300	Kalaheo			9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
960	7400	Kalaheo			9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
960	7400	Kalaheo			9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
960	7600	Kilauea			11:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
960	7600	Kilauea			9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
960	7700	Kilauea			9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
960	7700	Kilauea			9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM

CURRENT LIBRARY SCHEDULE

B. D.	C.C.	LOC.	SU.0	MO.1	MO.0	TU.1	TU.0	WE.1	WE.0	TH.0	TH.1	FR.0	FR.1	SA.1	SA.0
950	7800	Waikuku		10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	6:00 PM	10:00 AM	8:00 PM	8:00 PM	10:00 AM	10:00 AM	9:00 PM
960	8100	Manakoa		9:00 AM	6:00 PM	12:00 PM	8:00 PM	9:00 AM	6:00 PM	12:00 AM	8:00 PM	6:00 PM	9:00 AM		
960	8200	Kapea		9:00 AM	6:00 PM	12:00 PM	8:00 PM	8:00 AM	5:00 PM	12:00 PM	8:00 PM	5:00 PM	9:00 AM		
960	8300	Kolu		9:30 AM	6:00 PM	8:30 AM	8:00 PM	8:30 AM	8:00 PM	8:30 AM	5:00 PM	5:00 PM	8:30 AM		
980	8400	Iliwa		10:00 AM	6:00 PM	9:00 AM	8:00 PM	8:00 AM	8:00 PM	9:00 AM	6:00 PM	6:00 PM	8:00 AM	9:00 AM	9:00 PM
980	8800	Wainoa		12:00 PM	8:00 PM	8:00 AM	8:00 PM	12:00 PM	8:00 PM	8:00 AM	6:00 PM	6:00 PM	8:00 AM	9:00 AM	9:00 PM

LIBRARY SCHEDULE, PROPOSED

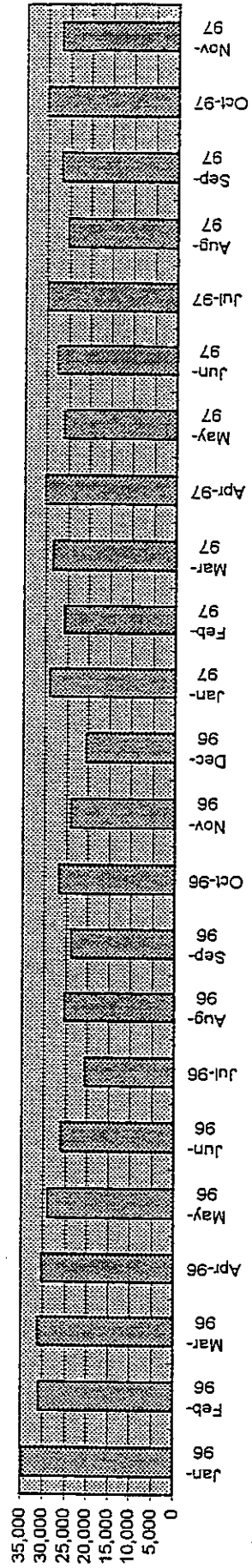
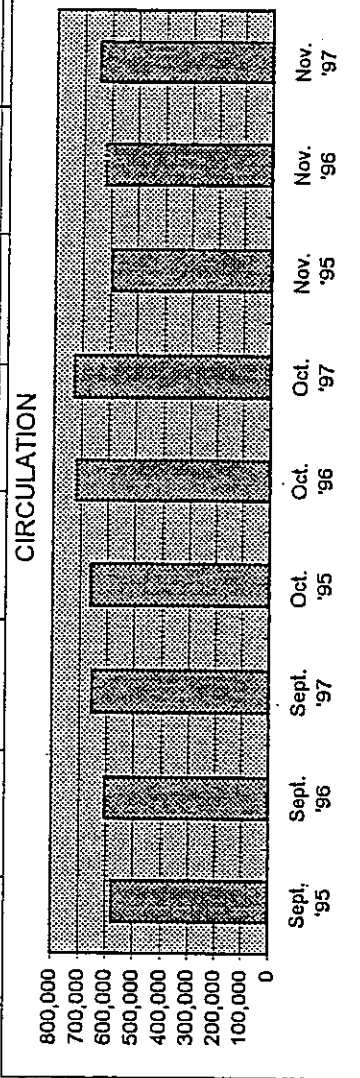
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970	9000		IPPI			9:00 AM	4:30 PM	9:00 AM	4:30 PM	9:00 AM	4:30 PM	9:00 AM	4:30 PM	9:00 AM	4:30 PM	9:00 AM	4:30 PM
980	3500		ISI-Adon			9:00 AM	5:00 PM	9:00 AM	8:00 PM	10:00 AM	5:00 PM	9:00 AM	8:00 PM	9:00 AM	6:00 PM	9:00 AM	6:00 PM
920	4050		Alas			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
926	4100		Eve Beach			12:00 PM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
920	4200		Millard			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
920	4300		Pawi City			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
920	4350		Sali Abc			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
920	4400		Wahlawa			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
920	4450		Wakara			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
920	4500		Wairara			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
920	4550		Weyahu			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5050		Alma Haina			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5100		Iiwali Kai			12:00 PM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5150		Kahuku			9:00 AM	5:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5200		Kaliu			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5250		Kalanui			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5300		Kaliu			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5350		Kanaloa			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5400		Ulukou			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5450		Makua			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5500		McCully			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5550		Waialae			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
930	5600		Waimanalo			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6050		Waimanalo			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6100		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6150		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6200		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6250		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6300		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6350		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6400		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6450		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6500		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6550		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6600		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
940	6650		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
960	7100		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
960	7200		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
960	7300		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
950	7400		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
950	7500		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
950	7600		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM
960	7700		Wahi			10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM	10:00 AM	8:00 PM

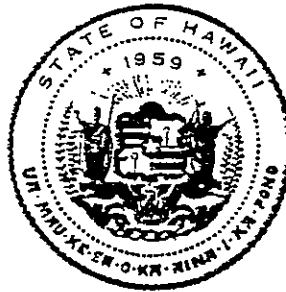
LIBRARY SCHEDULE, PROPOSED

S.D.	C.C.	LOG	SU-I	SU O	MO-I	MO-O	TU-I	TU-O	WE-I	WE-O	TH-I	TH-O	FRI	SA-I	SA-O
780	7800	Waikuku	---	---	10:00 AM	11:00 PM	10:00 AM	5:00 PM	10:00 AM	6:00 PM	10:00 AM	8:00 PM	10:00 AM	---	---
800	8100	Hanalei	---	---	9:00 AM	6:00 PM	12:00 PM	8:00 PM	9:00 AM	5:00 PM	12:00 AM	8:00 PM	9:00 AM	---	---
820	8200	Kaunoi	---	---	9:00 AM	6:00 PM	12:00 PM	8:00 PM	9:00 AM	5:00 PM	12:00 PM	8:00 PM	9:00 AM	---	---
840	8400	Kula	---	---	9:30 AM	6:00 PM	8:30 AM	5:00 PM	12:00 PM	8:00 PM	8:30 AM	6:00 PM	8:30 AM	---	---
860	8400	Lihoe	---	---	9:00 AM	6:00 PM	9:00 AM	5:00 PM	9:00 AM	8:00 PM	9:00 AM	6:00 PM	9:00 AM	9:00 AM	12:00 PM
880	8800	Waimea	---	---	12:00 PM	6:00 PM	8:00 AM	5:00 PM	12:00 PM	8:00 PM	8:00 AM	6:00 PM	8:00 AM	---	---

HSPLS CIRCULATION and HOLDS TRACK
JANUARY 1996-NOVEMBER 1997

MONTH	CIRCULATION	HOLDS	Sept. '95	Sept. '96	Sept. '97	Oct. '95	Oct. '96	Oct. '97	Nov. '95	Nov. '96	Nov. '97
Jan-96	659,796	34,755	578,452	606,409	652,974	661,365	714,718	727,054	595,556	620,154	644,219
Feb-96	619,285	30,864									
Mar-96	657,303	31,202									
Apr-96	634,395	30,299									
May-96	592,959	28,937									
Jun-96	620,939	25,971									
Jul-96	547,947	20,492									
Aug-96	579,885	25,319									
Sep-96	606,409	23,789									
Oct-96	714,718	26,557									
Nov-96	620,154	23,920									
Dec-96	542,872	20,355									
Jan-97	678,901	28,900									
Feb-97	625,807	25,702									
Mar-97	674,486	28,222									
Apr-97	696,940	30,155									
May-97	616,170	25,938									
Jun-97	663,883	27,514									
Jul-97	739,321	29,940									
Aug-97	580,912	25,267									
Sep-97	652,974	26,838									
Oct-97	727,054	30,069									
Nov-97	644,219	26,831									





The House of Representatives State of Hawaii

hereby presents this certificate to

**BARTHOLOMEW A. KANE,
THE REENGINEERING TEAM OF THE HAWAII STATE LIBRARY, AND
THE ENTIRE STAFF OF THE HAWAII STATE LIBRARY SYSTEM**

WHEREAS, free access to information is the cornerstone of democracy, and reading expands our cultural, economic and intellectual boundaries, bringing us closer to our common world; and

WHEREAS, it is the role of good government to be vigilant in striving to streamline bureaucracy and promote efficiency while continuing to provide exceptional services to the public; and

WHEREAS, during this period of economic downturn, revenue shortfall and budget deficit, it is important to recognize the efforts of those individuals capable of envisaging a more effective system which can maintain or improve productivity despite a greatly reduced budget; and

WHEREAS, by virtue of his talents, vision, strength of character and hard work, Mr. Bartholomew A. Kane, with the help of his Reengineering Team, was able to adjust to more than a twenty percent cut in the Library budget while simultaneously increasing the number of titles available to the public, resuming original library hours and avoiding staff layoffs; and

WHEREAS, the Branch Libraries have shown flexibility, courage, determination and commitment as they create new job descriptions in order to increase efficiency and utilize each employee to his or her full potential through a program called Self Directed Work Teams; and

WHEREAS, all members of the Hawaii State Library should be commended for their dedication to the process of reengineering which has enabled the Library to increase productivity despite a greatly reduced budget; now, therefore,

BE IT RESOLVED, by the House of Representatives of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1996, that this body congratulates and admires the entire staff of the Hawaii State Library System as directed by Mr. Bartholomew A. Kane, and extends to all its warmest ALOHA and best wishes for continued success in the future endeavors of the reengineering process.

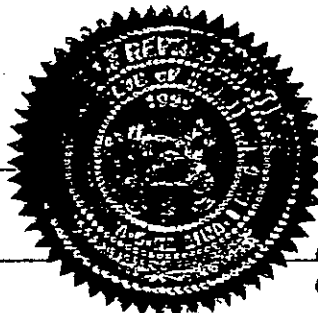
The 18th Legislature

Jan Bush

Speaker of the House

Papiniwa Shiniga

Chief Clerk



Alan Nakoa

Evel Anderson

Guthrie Kielea

Sponsoring Representative



HAWAII
STATE
PUBLIC
LIBRARY
SYSTEM

THE PLACE TO GO
WHEN YOU NEED TO KNOW

Welcome to Hawaii's Public Libraries...

We are pleased to service your informational and recreational needs. Here is a sampling of free services that we provide. A listing of fee-based basic and enhanced services can be found on the other side.

Free Services:

- **Basic**

Some basic free services include: checkout of printed library materials, cassettes and CDs; library materials can be returned to any public library; statewide access to entire library collection; access to reference materials and reference assistance; reserves; library programs, displays and exhibits; reader's advisory and booktalks to classes.

- **Internet Access**

As of January 2, 1996, public libraries offer free, limited access to the Internet. Customers with a current valid library card can sign up for a 50-minute session per week to surf the Internet, including the Hawaii State Public Library System Home Page on the World Wide Web. Internet use is available only during library hours.

- **Telephone Reference**

Call the Hawaii State Library from anywhere in the state during normal library hours for timely answers to quick reference questions. Oahu 586-3621 / Neighbor islands 1-800-390-3611

- **Telephone Renewals**

Renew books and other materials from home (unless there are reserves on them). Library materials may be renewed only once. Please have your library card and library materials handy when you call. Oahu 586-3652 / Neighbor Islands 1-800-820-7368

- **Place your own Reserves**

Request a book from any HSPLS library sent to your local public library via the library terminal or a home personal computer.

- **Magazine articles Online**

Use the online magazine index to look up magazine articles. Many articles can be read on the computer terminal or printed via the library terminal or a home personal computer.

- **Dial-in Computer Access to Catalog**

With a personal computer and modem, you can connect to the library system catalog to see what's available; place reserves and look up magazine articles to read. Oahu 831-6888 / Neighbor Islands 1-800-982-4436 (Setup: N-8-1, up to 14.4 Kbs, DEC VT-100 or higher emulation)

A complete list of charges is on the other side of this flyer.

If you have any questions about any of our services, see our library staff for more information.

FEES FOR BASIC AND ENHANCED SERVICES

LIBRARY CARD (Initial card - Hawaii Residents and Military)	No charge
• Resident minor replacement (17 years and under)	\$5
• Resident adult replacement (18 years and older)	\$10
• Non-resident new and replacement	\$25
• Visitor card (3 months)	\$10
FINES (21-day loan materials)	
• Adult overdue book fines	\$.25/item/day
Maximum amount per item	\$7.50
• Minor overdue book fines	\$.15/item/day
Maximum amount per item	\$4.50
• Maximum fines threshold	\$10
OTHER CHARGES	
• All lost or damaged items (fines and processing fees are non-refundable)	Replacement cost + \$5 processing fee + fines accrued
• Missing or damaged bar code	\$2
• Non-pick up of reserved items 7 days after notification	\$1
VIDEOCASSETTE RENTAL (7-day loan)	
• Public performance cleared	No charge
• All others	\$1/item/loan period
• Overdue fine (Maximum amount per item-\$30)	\$1/item/day
• Rewind fee	\$1/item
BEST SELLERS (High-demand)	\$1/item/day
CUSTOM RESEARCH	\$60/hour + related costs
BOOKS BY MAIL	\$3 + postage per item
PHOTOCOPYING (Self-service)	\$.15/page
• Staff-assisted; for pick up at library	\$.25/page + \$1/page if mailed
MEETING ROOMS / DESIGNATED LIBRARY AREAS	
• Library sponsored or co-sponsored	No charge
• Government agencies	\$20/day
• Non-profit, educational, civic, or cultural organizations w/no admission charge, collection taken, donation received	\$25/day
• Non-profit, educational, civic, or cultural organization with admission charge, collection taken, donation received	\$100/day
• For-profit organization	\$100/day
• Each audiovisual equipment item used per meeting	\$10/item
MEDIA PRODUCTION ROOMS	
• Use of equipment (each 30 minute period or fraction thereof)	\$5/half hour
• Materials used	Cost as indicated
TELECOPYING OF LIBRARY DOCUMENTS	
• Telefacsimile to all locations	\$2.50 /page
• Telefacsimile legislative testimony	No charge
INTERLIBRARY LOAN SERVICE	
• Overdue charges	\$10 + cost to acquire items Fine of owning library or HSPLS library (whichever is greater)
LIBRARY BOOKBAGS	\$.35

Note: Any charges for an enhanced service may be waived if a person is unable to pay and provides proof of receiving public assistance benefits or other proof of financial hardship.

