

PLP Executive Committee Agenda

May 15, 2020

1:30 p.m. via Zoom

<https://us02web.zoom.us/j/89750467836?pwd=dXBZUWVnOFpQUjRjeFQ1MWFmMUlFZz09>

Meeting ID: 897 5046 7836 Password: 689729

Call-in Option: (669) 900-6833

- I. Introductions**
- II. Approval of Consent Calendar** (Action Item)
 - A. Adoption of the Agenda McCulley
 - B. Approval of the January 23, 2020 Minutes McCulley Attachment 1 pg. 3
 - C. Acceptance of the PLP FY 2018/19 Audit Yon Attachment 2 pg. 7
- III. Old Business**
 - A. Changes to the Middle Manager Professional Development Training Frost Attachment 3 pg. 51
- IV. New Business**
 - A. PLP Annual Meeting Debrief McCulley
 - B. Draft PLP FY 2020/21 LSTA Application: Data Privacy Best Practices Training for Libraries Alvarez Attachment 4 pg. 52
 - C. Discussion of PLP Strategic Priorities McCulley Attachment 5 pg. 54
 - D. Finance
 - 1. Approval of FY 2019/20 PLP/PLS Contract Amendment (Action Item) Frost Attachment 6 pg. 60
 - 2. PLP/NorthNet FY 2020/21 Contract Review Frost Attachment 7 pg. 62
 - 3. PLP/PLS FY 2020/21 Contract Review Frost Attachment 8 pg. 63
 - 4. PLP FY 2020/21 Draft Budget Discussion Yon Attachment 9 pg. 64
 - 5. Discussion of FY 2020/21 CLSA Funds Frost Attachment 10 pg. 69
 - 6. PLP CLSA Menu for Libraries (Action Item) Frost Attachment 11 pg. 71
 - E. FY 2020/21 PLP Executive Committee Meeting Schedule Alvarez Attachment 12 pg. 75
- V. Reports**
 - A. PLP President's Report McCulley
 - B. PLP CEO's Report Frost
 - C. State Library Report DePriest

VI. Agenda Building and Location for Next Meeting on June 15, 2020

VII. Public Comment - (Individuals are allowed three minutes, groups in attendance five minutes. It is System policy to refer matters raised in this forum to staff for further investigation or action if appropriate. The Brown Act prohibits the Executive Committee from discussing or acting on any matter not agendaized pursuant to State law.)

VIII. Adjournment

Due To The State Of California's Declaration Of Emergency – This Meeting Is Being Held Pursuant To Authorization From Governor Newsom's Executive Order N 29-20

The legislative body of a local agency may use teleconferencing in connection with any meeting or proceeding authorized by law. Cal. Gov't Code §54953(b)(1). A "teleconference" is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both." Cal. Gov't Code § 54953(b)(4). A local agency may provide the public with additional teleconference locations. Cal. Gov't Code § 54953(b)(4).

The teleconferenced meeting must meet the following requirements:

- (1) it must comply with all of the Act's requirements applicable to other meetings;
- (2) all votes must be taken by roll call;
- (3) the agenda must provide the public with an opportunity to address the legislative body at each teleconference location. Cal. Gov't Code § 54953(b).



Pacific Library Partnership

PLP Executive Committee
Santa Clara City Library – Central Park Library (Board Room)
2635 Homestead Rd., Santa Clara, CA 95051

January 23, 2020

12:30 p.m.

MINUTES

Committee:

Brad McCulley, President
 Susan Nemitz, Vice-President
 Ryan Baker
 Cindy Chadwick
 Hilary Keith
 Valerie Sommer
 Jamie Turbak (call-in)

System Staff:

Carol Frost, PLP
 Yemila Alvarez, PLP

Others:

Susan Clark, Common Knowledge
 Meg DePriest, California State Library
 Jane Light, PLP
 Nicole Neditch, Common Knowledge
 Derek Wolfram, RCPL (call-in)
 Becky Yoose, LDH (call-in)

Meeting was called to order at 12:31 pm by President McCulley.

I. Adoption of the Agenda

The Agenda was adopted as presented (M/S Keith/Sommer)

II. Old Business

A. Approval of the October 21, 2019 Minutes

The minutes were approved as presented. (M/S Baker/Nemitz)

B. Update on PLP Competitive Grants: Data Privacy Best Practices Training for Libraries

Assistant Director Alvarez introduced Becky Yoose as the founder and chief library data privacy consultant for LDH Consulting Services, who has been hired as part of the PLP LSTA Data Privacy grant PLP to develop data privacy trainings and a related toolkit. Yoose provided an update on activities. Focus groups for front line staff and executives have been held. Both groups had some common topics. The administrators were interested in law enforcement requests and related challenges and regulations, security cameras and whether these are considered patron use records. Front line staff had concerns about handling data requests from various parties. PLP conducted their first training last week on a general overview of the Patron Data lifecycle. The February training will focus on delivering procedures/policies/practices that center on patron privacy, implementation of patron privacy practices, as well as working with vendors to protect patron privacy and on what are some good contract negotiation strategies.

C. PLP Middle Manager Cohort Topics of Interest

Light reported that there are a number of large systems participating in the middle management cohort. There are team-building and relationship building benefits to having multiple people from a

single system attend the cohort. The Executive Committee and Light discussed topics of interest for this upcoming year, including: the way middle management team works on managerial topics of interest include change management when it's not your idea and you're not too happy about it; succession planning; how to ask for things; and how to manage cuts or projected cuts. The Executive Committee recommended additional topics including: dealing with a marginal performing employee; how to deal with political topics with a small "p"; how to deal with Friends groups; partnership development and maintenance; equity; having difficult conversations – giving feedback and internal conflict between peers or teams, etc.; managing up; how do you identify the organization's culture and how do you change it; understanding the process that would happen to promote someone, HR 101; what does a disciplinary process look like; and of what type of criticism they would give to managers.

D. Discussion About PLP Standing Committees and Adding a Technical Services List-Serv

The PLP Staff Development Committee is the only remaining PLP standing committee, as all others have been disbanded. SVLS formed the Technical Service Group, which has been meeting this last year and developing a model for sharing international language resources, which is one of the PLP strategic priorities. There was discussion about expanding this to all PLP members to support collegial sharing. There was discussion of whether there should be other list-servs formed – such as youth services; technical services; adult services; teen services. There was a request that this be added to the Annual meeting as a discussion point to collect ideas.

E. Consideration of Common Knowledge Proposal: Key to Community

Susan Clark and Nicole Neditch presented a revised proposal in the packet from the work that was presented at the October PLP Executive Committee meeting. Common Knowledge shared some of their background work, and Derek Wolfram from Redwood City Public Library gave some feedback on his experiences working with Common Knowledge, including hosting community dialogues, outreach and engagement. The demonstrated how the library and their leadership can shape connections in the community. Something that Common Knowledge brings is the linkages and the ability to take what we are doing and figure out what happens next from a strategic standpoint, including training for staff, and a much broader picture for staff that they can continue to use throughout their ongoing community connection. Common Knowledge discussed their Know and Grow Your Community guides as part of the Census efforts, and using the Census as the foundation program to bring all the resources together online. They detailed their online platform proposal, which included establishing a learning cohort; creation of evergreen templates that staff could populate with their own data; and a closing webinar for the Census and how to get ready for the election. Pilot libraries would attend an in-person training; and do pre-work on identifying current and target audiences. There was concern expressed about the cost of the project; it would be three pilots but it was unclear how involved the other libraries would get after the pilot point. It was expressed that it does mimic a lot of existing activities. There was a discussion of pilot libraries contributing local funds, and the desire to not duplicate current efforts. There was a question of whether there is potential for community mapping. There was discussion of first identifying a need in PLP. No motion was made in support of the project.

F. Update on PLP Call for Support for Staff Development, Initiatives and Activities

The current call for training support exceeds the \$10,000 allocated in the budget. It was noted that the request from Alameda County for \$4,300 would be funded by a combination of BALIS and SVLS funds with each region funding \$1,000, and that PLP would fund the remaining \$2,300. There was a

motion made and passed to fund an additional \$1,070 from fund balance for this year to support the projects identified in the packet. (M/S Nemitz/Baker)

III. New Business

A. PLP Presence at National Library Legislative Day in May 4-5, 2020

PLP usually sends staff to DC to lobby for National Library Legislative Day, and have earmarked funding in the budget to participate. This year's event is taking place at Georgetown University. McCulley and Keith expressed interest in participating. A motion was made and passed to send McCulley, Keith, and Frost to attend. (M/S Sommer/Chadwick)

B. Analysis of PLP Membership Participation Dues Schedule

The PLP Executive Committee previously directed staff to add more tiers to the Membership Fee Schedule to allow for more balanced increases in annual dues based on operating budget. A revised schedule was presented. It was expressed that the breakdown seems much more manageable. There was a question as to what the implication is fiscally and a response that the way this is structured the fiscal implications for PLP would be pretty neutral in terms of loss or gain of overall revenue. There was a discussion of the figures used to determine tiers and a response that the table would be sent to all libraries to review this year. There was discussion of what should permanently be used to determine tiers and debate discussion ensued about whether operating income or operating expenditures would be more appropriate. A motion was made to approve the membership fee schedule and to recommend to the Administrative Council for adoption in May and to use operating expenditures from the State Library to determine placement. (M/S Baker/Chadwick)

C. Discussion of CLSA Allocation for FY 2020/21

PLP has in practice distributed an annual allocation of CLSA funds to be spent by individual jurisdictions on a menu of items for shared resources. There was discussion of surveying PLP libraries to see if there is another resource we could be exploring. Staff was instructed to send a survey to PLP staff to determine what items should be on the menu.

D. LSTA PLP Competitive Grants Discussion

PLP has previously applied for regional grants but next year there will be no call for new LSTA competitive grants. The State Library has \$8M available for shared vision grants and there is an opportunity for libraries to apply by April 1, with a letter of interest by February 11. There was discussion about whether it would be feasible for PLP to try to apply for one of these and consensus that the timing is too soon. There was discussion of PLP developing training on strengthening a library's network against cyberterrorism, and general emergency preparedness trainings with sharing of best-practices and a consultant to help develop plans. It was shared that NorthNet has an LSTA grant on emergency preparedness at the meta level with fire/earthquakes/floods including re-energizing communities after an event. There was discussion of bringing this up at the May meeting to determine whether PLP should fund a day-long training on this topic.

E. Discussion of PLP Annual Meeting on May 15, 2020

1. Planning and Speaker

The Committee discussed potential topics for the Annual meeting. Topics recommended included Emergency Preparedness; A lessons-learned panel on data breaches at Alameda City Library, Contra Costa County Libraries, and Livermore; CyberSecurity and

CyberTerrorism; Michael Blackwell as a Speaker on eBooks; Innovation and Technology Grants; LSTA Grants Reporting; ULC Winners share-out; and Data Security Training

2. Term Status of PLP Executive Committee

There were no changes to the current officers.

IV. Reports

A. PLP President's Report

An Ad-Hoc committee was formed to work with the Future of Libraries Committee. They will be sending out a survey polling PLP about their needs for training. The Committee has shared their planning with the Executive Committee.

B. PLP CEO's Report

C. State Library Report

DePriest shared the digital report in advance of the meeting. DePriest will be taking the Data Privacy issue back for discussion at the State Level. If PLP has additional ideas to be taken on at a statewide level, please do not hesitate to contact her.

- V. Closed Session Pursuant to Government Code Section 54957: PLS Executive Director/PLP CEO** The Committee went into closed session and subsequently reported that a motion was made and passed for a step increase for CEO Frost from Step F to Step G with sincere appreciation, and that should additional workplan items arise they would be sent later.

VI. Agenda Building for Next Meeting on Friday, May 15, 2020

- A. CLSA Reporting forms**
- B. Draft PLP Budget**
- C. Annual Contracts**
- D. Budget reconciliation from last year**

VII. Public Comment

There was no public comment.

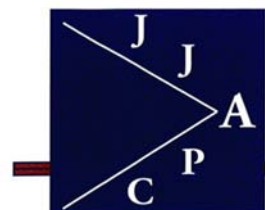
VIII. Adjournment

The meeting was adjourned at 3:23pm by Chair McCulley

PACIFIC LIBRARY PARTNERSHIP

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

JUNE 30, 2019



JJACPA, Inc.

A Professional Accounting Services Corp.

May 6, 2020

To the Administrative Council of the
Pacific Library Partnership
San Mateo, California

We have audited the basic financial statements of the Pacific Library Partnership as of and for the year ended June 30, 2019, and have issued our report thereon dated May 6, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards (and when applicable, *Government Auditing Standards*)

As communicated in our engagement letter dated February 11, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Pacific Library Partnership solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Pacific Library Partnership is included in Note 1 to the financial statements. During the year there were no new policies or procedures required to be disclosed in the current year's financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets ("useful lives").

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Pacific Library Partnership's financial statements relate to commitments and contingencies.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Pacific Library Partnership's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated May 6, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with Pacific Library Partnership, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting Pacific Library Partnership, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered PLP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PLP's internal control. Accordingly, we do not express an opinion on the effectiveness of PLP's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Administrative Council and management of PLP, others within the organization and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Joseph J. Arch

JOSEPH J. ARCH, CPA
President/CEO
JJACPA, INC.

PACIFIC LIBRARY PARTNERSHIP
BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2019

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Pacific Library Partnership
Basic Financial Statements and Single Audit Reports
For the year ended June 30, 2019

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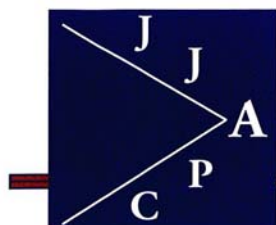
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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of the
Pacific Library Partnership
San Mateo, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Pacific Library Partnership (PLP) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise PLP's basic financial statements as listed in the table of contents. The prior-year comparative total information presented has been derived from the PLP's 2018 basic financial statements and, in our report dated May 6, 2020 we expressed an unmodified opinion on the those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and the budgetary comparison information of PLP, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the PLP's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2020 on our consideration of PLP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PLP's internal control over financial reporting and compliance.

May 6, 2020

JJACPA, Inc.

**JJACPA, Inc.
Dublin, CA**

**Pacific Library Partnership
Management's Discussion and Analysis
For the year ended June 30, 2019**

Management's Discussion and Analysis

This section of the Pacific Library Partnership's (PLP) basic financial statements presents management's discussion and analysis of PLP's financial performance during the fiscal year ended June 30, 2019. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with PLP's basic financial statements (pages 12 and 13) as well as the footnotes to the financial statements (pages 15 - 23).

Financial Highlights

At June 30, 2019, PLP ended the year with a net position of \$2,026,579 which includes capitalization of \$3,851 in capital assets as shown in note 9 as reclassifications and eliminations on page 22.

Using This Report

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*. Changes in Statement No. 34 require a comprehensive one-line look at the entity as a whole and capitalization of assets and depreciation. The major reconciling items necessary were capitalization and depreciation of capital assets and inclusion of long-term liabilities. PLP has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for PLP's operations.

The annual financial statements include the Independent Auditor's Report, this management's discussion and analysis, the basic financial statements, and notes to basic financial statements and required supplementary information.

Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

Financial Analysis of PLP as a Whole

	Net Position As of June 30, 2019 and 2018		Increase (Decrease)	Percent Change
	2019	2018		
Assets:				
Current Assets	\$ 3,975,596	\$ 4,828,348	\$ (852,752)	-17.7%
Non-current Assets	3,851	5,605	(1,754)	-31.3%
Total Assets	\$ 3,979,447	\$ 4,833,953	\$ (854,506)	-17.7%
Liabilities:				
Current Liabilities	\$ 1,952,868	\$ 1,464,562	\$ 488,306	33.3%
Total Liabilities	1,952,868	1,464,562	488,306	33.3%
Net Position:				
Net Investment in Capital Assets	3,851	5,605	(1,754)	-31.3%
Restricted	313,383			
Unrestricted	1,709,345	3,363,786	(1,654,441)	-49.2%
Total Net Position	2,026,579	3,369,391	(1,342,812)	-39.9%
Total Liabilities and Net Position	\$ 3,979,447	\$ 4,833,953	\$ (854,506)	-17.7%

This schedule is prepared from PLP's Statement of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Net position of \$2,026,579 at June 30, 2019 consisted of \$1,709,345 unrestricted amount available for operations and \$3,851 for net investment in capital assets.

**Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019**

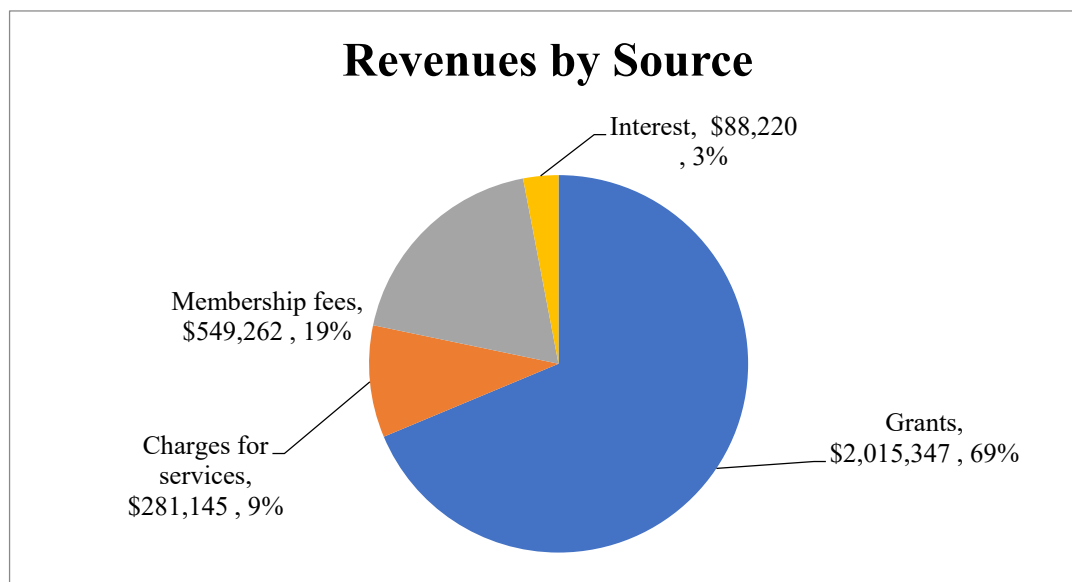
Financial Analysis of PLP as a Whole, Continued

**Operating Results
For the year ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating Expenses:	\$ 4,276,786	\$ 4,086,653	\$ 190,133	4.7%
Program Revenue:				
Grants	2,015,347	3,749,264	(1,733,917)	-46.2%
Charges for services	281,145	202,795	78,350	38.6%
Total program revenue	<u>2,296,492</u>	<u>3,952,059</u>	<u>(1,655,567)</u>	-41.9%
Net Operating Expenses	<u>1,980,294</u>	<u>134,594</u>	<u>1,845,700</u>	1371.3%
General Revenue:				
Membership fees	549,262	571,403	(22,141)	-3.9%
Interest	88,220	47,979	40,241	83.9%
Donation	-	2,500	(2,500)	100.0%
Total general revenue	<u>637,482</u>	<u>621,882</u>	<u>15,600</u>	2.5%
Increase (decrease) in net position	(1,342,812)	487,288	(1,830,100)	-375.6%
Net Position:				
Beginning of year	3,369,391	2,882,102	487,289	16.9%
End of year	<u>\$ 2,026,579</u>	<u>\$ 3,369,391</u>	<u>\$ (1,342,812)</u>	-39.9%

In FY2018-19, program revenues were primarily from grants, which consisted of \$2,015,347. General revenues were primarily membership fees and reimbursements from services provided to members.

The following is a graphic illustration of revenues by source for the year ended June 30, 2019:



**Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019**

Financial Analysis of PLP as a Whole, Continued

For the year ended June 30, 2019 and 2018

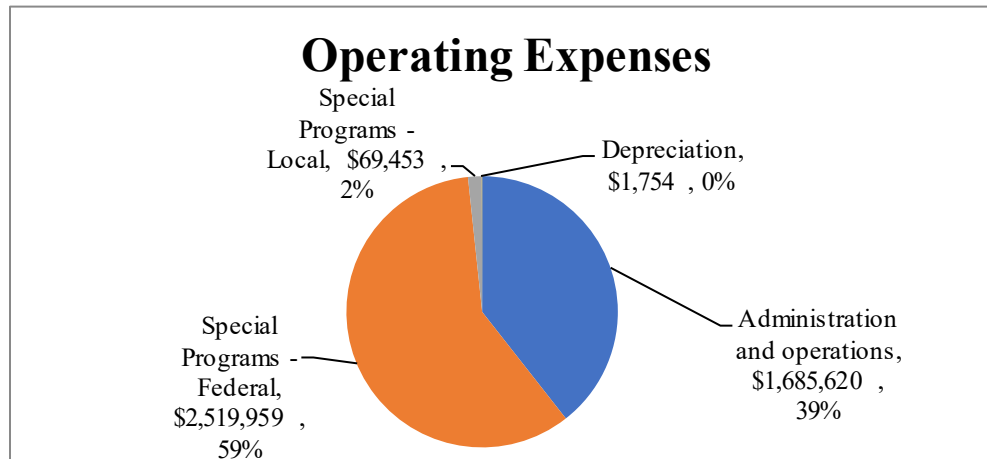
	2019	2018	Increase (Decrease)	Percent Change
Operating Expenses:				
Administration	\$ 998,556	\$ 768,922	\$ 229,634	29.9%
Delivery	565,219	297,715	267,504	89.9%
System operation	121,845	286,259	(164,414)	-57.4%
Veterans Connect 16/17	-	124,182	(124,182)	-100.0%
Veterans Connect 17/18	94,887	291,937	(197,050)	-67.5%
Veterans Connect 18/19	177,457	-	177,457	100.0%
Networking CA Library 17/18	106,856	199,741	(92,885)	-46.5%
Networking CA Library 18/19	345,380	-	345,380	100.0%
Literacy Initiatives 16/17	-	40,791	(40,791)	-100.0%
Literacy Initiatives 17/18	147,439	114,811	32,628	28.4%
Literacy Initiatives 18/19	193,673	-	193,673	100.0%
CA Preservation Program FY 17/18	98,740	78,109	20,631	26.4%
CA Preservation Program FY 18/19	96,099	-	96,099	100.0%
CA Library Metrics FY 17/18	127,768	347,306	(219,538)	-63.2%
CA Library Metrics FY 18/19	384,553	-	384,553	100.0%
CA Statewide Initiatives Book Program 17/18	487,500	-	487,500	100.0%
PLSEP 17/18	11,365	73,211	(61,846)	-84.5%
PLSEP 18/19	12,696	-	12,696	100.0%
CA Audiovisual Preservation FY 16/17	-	271,318	(271,318)	-100.0%
Preservation Grant FY 16/17	-	29,243	(29,243)	-100.0%
CA Rural Library Initiative FY 16/17	-	11,328	(11,328)	-100.0%
CA Rural Library Initiative FY 17/18	54,160	66,070	(11,910)	-18.0%
CA Rural Library Initiative FY 18/19	20,146	-	20,146	100.0%
Student Success Initiative FY 16/17	-	5,350	(5,350)	-100.0%
Student Success Initiative FY 17/18	34,331	102,464	(68,133)	-66.5%
Student Success Initiative FY 18/19	98,788	-	98,788	100.0%
Networking FY16/17	-	23,414	(23,414)	-100.0%
CA Immigrant FY 16/17	-	704,284	(704,284)	-100.0%
simplyE FY 17/19	42,227	72,341	(30,114)	-41.6%
ENKI Content FY 16-19	27,226	149,759	(122,533)	-81.8%
News Literacy Resources Toolkit FY17/18	19,003	26,452	(7,449)	-28.2%
Cybersecurity Training for Teens 18/19	9,118	-	9,118	100.0%
Depreciation	1,754	1,646	108	6.6%
	<u>\$ 4,276,786</u>	<u>\$ 4,086,653</u>	<u>\$ 190,133</u>	<u>4.7%</u>

Operating expenses in the amount of \$4,276,786 were split amongst three major categories; administration and delivery operations, grants, and depreciation. The change in operating expenses of \$190,133 over the previous year end was the result of deadline extension of several FY2016-17 LSTA grants through FY17-18.

**Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019**

Financial Analysis of PLP as a Whole, Continued

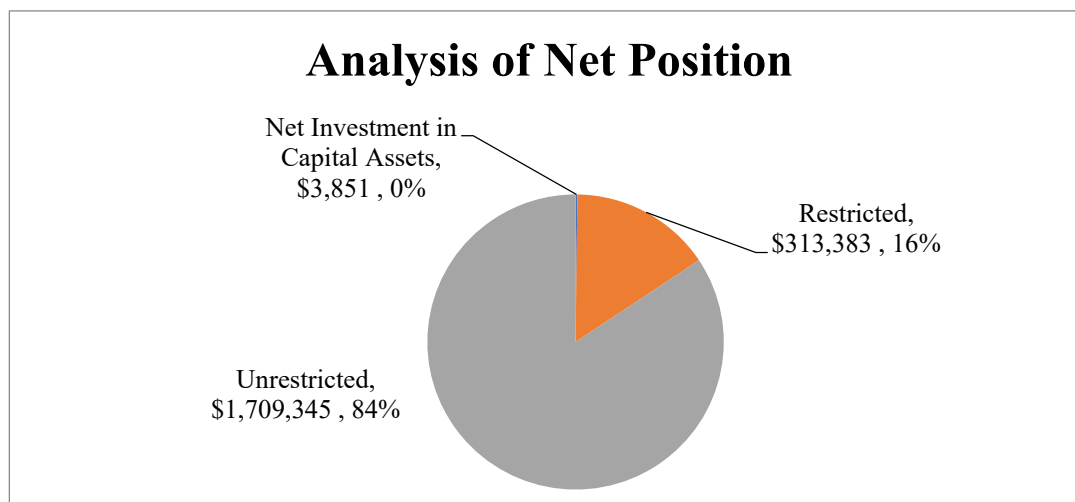
The following is a graphic illustration of operating expenses for the year ended June 30, 2019:



**Analysis of Net Position
For the year ended June 30, 2019 and 2018**

	2019	2018	Increase (Decrease)	Percent Change
Net Position				
Net Investment in Capital Assets	\$ 3,851	\$ 5,605	\$ (1,754)	-31.3%
Restricted	313,383	-	-	100.0%
Unrestricted	1,709,345	3,363,786	(1,654,441)	-49.2%
Total Net Position	<u>\$ 2,026,579</u>	<u>\$ 3,369,391</u>	<u>\$ (1,342,812)</u>	-39.9%

The change in net position of -\$1,342,812 is primarily due to net program expense from grants exceeding the grant revenues at fiscal year-end. The following is a graphic illustration of net position for June 30, 2019:



**Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering PLP's Budget for FY 2019-20, the Administrative Council and management used the following criteria:

The key assumptions in our revenue forecast were:

1. Interest earnings are rising steadily.
2. State library and membership fees are expected to be approximately the same.

Continuing items specifically addressed in the budget were:

1. Concern over possible State budget reductions, especially in the CLSA and LSTA category, and avoiding further excesses of service costs over revenues.

The adopted budget for the new FY 2019-20 was \$2,049,021 and is summarized as follows:

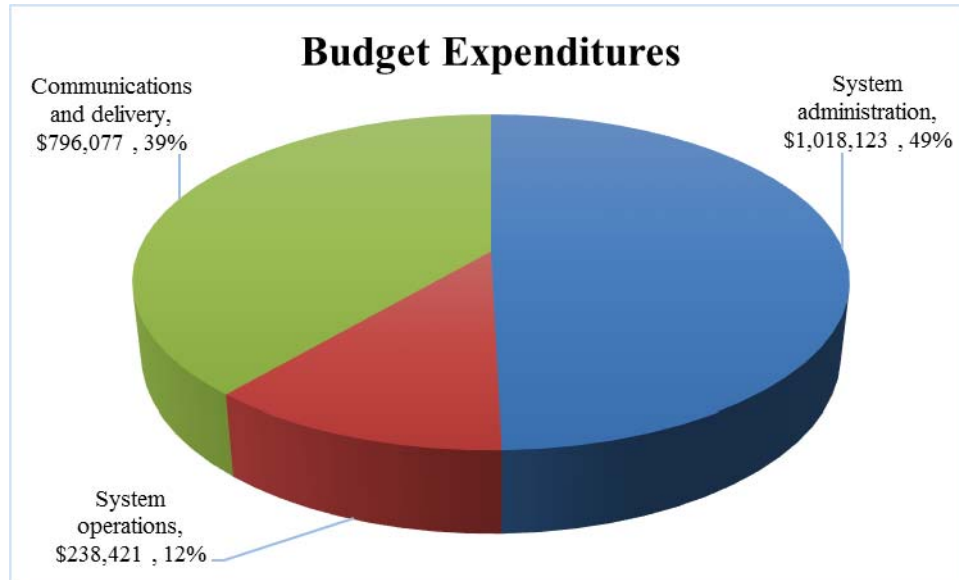
	FY 2019-20	FY 2018-19	Percentage Change
Administration			
System administration	\$ 1,018,123	\$ 952,886	6.85%
System operations	234,821	302,246	-22.31%
Total Administration	<u>1,252,944</u>	<u>1,255,132</u>	-0.17%
Membership services			
Communications and delivery	<u>796,077</u>	<u>821,867</u>	-3.14%
Total Membership Services	<u>796,077</u>	<u>821,867</u>	-3.14%
Total Budget	<u><u>\$ 2,049,021</u></u>	<u><u>\$ 2,076,999</u></u>	-1.35%

1. Administration - Shows a combined increase of approximately 6.85%, which is mainly due to increase in administrative expenses.
2. Membership services – Shows a decrease of approximately 3.14% due to an decrease in prior year roll-over CLSA funds.

**Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES, CONTINUED

The following is a graphic illustration of appropriations for FY 2019-20.



Contacting PLP

This financial report is designed to provide our customers and creditors a general overview of PLP's finances and to demonstrate PLP's accountability for the money it receives and is allocated to it. If you have questions about this report, contact the Pacific Library Partnership, 2471 Flores Street, San Mateo, CA 94403, telephone number (650) 349 5538.

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BASIC FINANCIAL STATEMENTS

Pacific Library Partnership

Governmental Funds Balance Sheet/Statement of Net Position

June 30, 2019

	Governmental Funds	Adjustments (Note 9)	Statement of Net Position	2018
ASSETS				
Current				
Cash and investments:				
Available for operations	\$ 3,602,833	\$ -	\$ 3,602,833	\$ 3,296,359
Accounts receivable	350,190	-	350,190	1,517,204
Interest receivable	22,573	-	22,573	14,785
Total current assets	<u>3,975,596</u>	<u>-</u>	<u>3,975,596</u>	<u>4,828,348</u>
Noncurrent				
Capital assets, net of accumulated depreciation	-	3,851	3,851	5,605
Total assets	<u>\$ 3,975,596</u>	<u>\$ 3,851</u>	<u>\$ 3,979,447</u>	<u>\$ 4,833,953</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Current				
Accounts payable and accrued liabilities	\$ 352,040	\$ -	\$ 352,040	\$ 99,229
Deposit payable	11,404	-	11,404	-
Unearned revenue	-	1,589,424	1,589,424	1,365,333
Total current liabilities	<u>363,444</u>	<u>1,589,424</u>	<u>1,952,868</u>	<u>1,464,562</u>
Deferred Inflow:				
Unavailable revenue	1,589,424	(1,589,424)	-	-
Total liabilities and deferred inflows	<u>1,952,868</u>	<u>-</u>	<u>1,952,868</u>	<u>1,464,562</u>
Fund balances/Net position:				
Committed:				
Operating reserve	313,383	(313,383)		
Unassigned, reported in:				
General fund	1,709,345	(1,709,345)	-	-
Total fund balances	<u>2,022,728</u>	<u>(2,022,728)</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,975,596</u>			
NET POSITION				
Net investment in capital assets		3,851	3,851	5,605
Restricted		313,383	313,383	-
Unrestricted		1,709,345	1,709,345	3,363,786
Total net position		<u>\$ 2,026,579</u>	<u>2,026,579</u>	<u>3,369,391</u>
Total liabilities and net position			<u>\$ 3,979,447</u>	<u>\$ 4,833,953</u>

The accompanying notes are an integral part of these basic financial statements

Pacific Library Partnership
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities
For the year ended June 30, 2019

	Governmental Funds	Adjustments (Note 10)	Statement of Activities	2018
EXPENDITURES/EXPENSES:				
Administration and operations	\$ 1,685,620	\$ -	\$ 1,685,620	\$ 1,352,896
Special programs:				
Federal	2,519,959	-	2,519,959	2,732,111
Local	69,453	-	69,453	-
Depreciation	-	1,754	1,754	1,646
Total expenditures/expenses	4,275,032	1,754	4,276,786	4,086,653
REVENUES:				
Program revenues:				
Grants	2,015,347	-	2,015,347	3,749,264
Charges for services	281,145	-	281,145	202,795
Total program revenues	2,296,492	-	2,296,492	3,952,059
Net program expense	1,978,540	1,754	1,980,294	134,594
General revenues:				
Membership fees	549,262	-	549,262	571,403
Interest	88,220	-	88,220	47,979
Reimbursements	-	-	-	2,500
Total general revenues	637,482	-	637,482	621,882
REVENUES OVER (UNDER)				
EXPENDITURES	(1,341,058)			
CHANGE IN NET POSITION		(1,754)	(1,342,812)	487,288
FUND BALANCES/NET POSITION:				
Beginning of the year	3,363,786	5,605	3,369,391	2,882,102
End of the year	<u>\$ 2,022,728</u>	<u>\$ 3,851</u>	<u>\$ 2,026,579</u>	<u>\$ 3,369,391</u>

The accompanying notes are an integral part of these basic financial statements

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Pacific Library Partnership
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pacific Library Partnership (“PLP”) is a Joint Powers Agency under Government Code Section 6500 *et. seq.* established on January 9, 2009 which began operations on July 1, 2009 by the Bay Area Library and Information System, Silicon Valley Library System, Monterey Bay Area Cooperative Library System and the Peninsula Library System. PLP is a library services organization which has the powers necessary to establish, improve and extend library services held by its members and those powers designated in Government Code Section 6508. No single member controls PLP. PLP also delivers library materials to members, provides research services and general education workshops, and training seminars for its members.

PLP is governed by an Administrative Council composed of all of the library directors of library agencies therein. Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by PLP's Administrative Council. PLP is a separate reporting entity for financial reporting purposes and the accompanying basic financial statements reflect the assets, liabilities, fund balances/net position, revenues, and expenditures/expenses of PLP only.

The Peninsula Library System (PLS) acts as fiscal agent and Treasurer/Controller for PLP and acts as the depository and has custody of the money of PLP and performs those duties required by Government Code sections 6505 and 6505.5. More information regarding the contract with PLS is located in Note 5.

The financial statements of PLP have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

In June 1999, the GASB released Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. PLP has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for PLP’s operations.

A. Reporting Entity

As defined by GASB Statement No.39, *The Financial Reporting Entity*, PLP is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with PLP are such that exclusion would cause PLP’s financial statements to be misleading or incomplete.

In addition, based upon the above criteria, PLP is not aware of any entity which would be financially accountable for PLP which would result in PLP being considered a component of the entity.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

B. Basis of Accounting

The fund-based financial statement columns (Governmental Funds column) on Pages 12 and 13 are accounted for using the modified accrual basis of accounting and reflect balances for PLP's General Fund and Federal Grant Special Revenue Fund. These funds revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts, which could not be measured or were not available, were not accrued as revenue in the current fiscal year. The Statements of Net Position and Activities columns on Pages 12 and 13 have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Budgets

Budgets are prepared on the modified accrual basis of accounting, in which capital assets acquired are recorded as expenditures and depreciation is not recorded.

PLP follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the Finance Committee reviews and recommends to the Administrative Council a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- The budget is legally enacted through passage of a motion during an Administrative Council meeting prior to year-end.
- The Finance Committee reviews all budget transfers and revisions, which are then approved by the Chair of the Administrative Council and the Chair of the Finance Committee.
- Formal budgeting is employed as a management control device during the year for the general and special revenue funds.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

D. Budgets, continued

- Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The legal level of a budgetary control, the amount to which budget should not be exceeded, is the program level.

Budgeted amounts are as originally adopted or as amended by the Administrative Council. Individual amendments were not material in relation to the original appropriations.

E. Cash and Investments

PLP pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

PLP indirectly participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

F. Capital Assets

Capital assets are carried at cost or estimated cost if actual cost was not available. Donated assets are valued at their estimated fair value on the date donated.

Depreciation is calculated on a straight line basis using the following useful life schedule:

Furniture and fixtures	5 to 10 years
Automobiles	5 years
Office equipment	5 to 10 years
Computer equipment	5 to 10 years

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

2. CASH AND INVESTMENTS

The System had the following cash and investments at June 30, 2019:

	FDIC/ SIPC insured	Not rated	Fair Value
Local Agency Investment Fund (LAIF)	\$ -	\$ 3,156,069	\$ 3,156,069
Cash deposits	28,860	-	28,860
Certificate of Deposit	417,654	-	417,654
Petty cash	-	250	250
Total	\$ 446,514	\$ 3,156,319	\$ 3,602,833

A. Cash Deposits

The System pools cash from all sources. The System invests excess cash in LAIF. The System maintains a petty cash fund of \$250.

The California Government Code requires California banks and savings and loan associations to secure government cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral is considered to be held in the government's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the government's cash deposits. California law also allows institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total cash deposits. The government can waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

B. Investments

PLP is authorized by State statutes and Administrative Council action to invest in the following:

- United States Treasury notes, bonds, bills or certificates of indebtedness.
- Registered state warrants or treasury notes or bonds of the State of California.
- Bonds, notes, warrants or other evidences of indebtedness of any local agency within the State of California.
- Obligations issued by banks and guaranteed by federal agency or United States government-sponsored enterprise.
- Negotiable certificates of deposit or time deposits placed with commercial banks and/or savings and loan companies.
- Banker's acceptances.
- Commercial paper.
- California Local Agency Investment Fund (LAIF)

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

2. CASH AND INVESTMENTS, Continued

B. Investments, Continued

PLP invests in LAIF, an unrated pool, which limits the exposure of Partnership funds to interest rate and credit risk by treating all balances as current.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments recorded in interest/investment income.

C. Investments in External Investment Pools

PLP's investments with LAIF at June 30, 2019, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions. These investments may include the following:

- Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depends on one or more indices and/or that have embedded forwards or options.
- Asset-backed Securities, the bulk of which are mortgage-backed securities, entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables.

As of June 30, 2019, LAIF had invested 1.77% of its funds in structured notes and asset-backed securities and similar transactions.

3. CAPITAL ASSETS

Changes in capital assets were as follows:

	Balance July 1, 2018	Additions	Adjustments/ Deletions	Balance June 30, 2019
Computer equipment	\$ 8,771	\$ -	\$ -	\$ 8,771
Total capital assets	8,771	-	-	8,771
Accumulated depreciation	(3,166)	(1,754)	-	(4,920)
Net capital assets	<u>\$ 5,605</u>	<u>\$ (1,754)</u>	<u>\$ -</u>	<u>\$ 3,851</u>

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

4. UNEARNED REVENUE

PLP records payments for services not yet rendered as unearned revenue. PLP expects to recognize \$1,589,424 of unearned revenue as earned during FY2019-20.

5. RELATED PARTY TRANSACTIONS

PLP contracts with the Peninsula Library System (PLS), as its fiscal agent, for administrative services and/or materials. In compensation for services provided, PLP paid \$869,173 to PLS for the year ended June 30, 2019. These amounts were reported as administration expenses in the Statement of Activities.

6. FUND BALANCES/NET POSITION

Fund Balances consist of the following: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance consists of investments that will not convert to cash soon enough to affect the current period. Restricted fund balance consists of resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government. Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of PLP's highest level of decision-making authority. Assigned fund balance consists of amounts where intent is expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned amounts represent deficits in fund balance as reflected by the necessity to show nonspendable and restricted balances in an amount greater than total fund balance. Currently, the PLP uses only the committed and unassigned categories.

<u>Fund Balance</u>	<u>June 30, 2019</u>
Committed:	
Operating reserve	313,383
Unassigned	<u>\$ 1,709,345</u>
Total Fund Balance	<u><u>\$ 2,022,728</u></u>

Net position consists of restricted and unrestricted amounts. Restricted amounts reflect balances which cannot be influenced by PLP Administrative Council action, such as the investment in capital assets net of any related debt. Unrestricted amounts reflect balances available for current operations.

<u>Net Position</u>	<u>June 30, 2019</u>
Net Investment in Capital Assets	\$ 3,851
Restricted:	
Operating reserve	313,383
Unrestricted	<u>1,709,345</u>
Total	<u><u>\$ 2,026,579</u></u>

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

7. INSURANCE

PLP purchases several insurance policies to protect against catastrophic loss: (1) General Liability and Automobile Liability with \$1,000,000 limit per occurrence and a \$500 deductible. (2) A Master Property Insurance Policy covers PLP's real and personal property on a replacement cost basis with a \$3,705,500 limit and a \$500 deductible.

8. CONTINGENT LIABILITIES

PLP participates in several federal and state grant programs. These programs have been audited by PLP's independent auditor in accordance with the provisions of the federal Single Audit Act and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. PLP expects such amounts, if any, to be immaterial.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEETS AND THE STATEMENTS OF NET POSITION

“Total fund balances” of PLP’s Governmental funds of \$2,022,728 differs from “net position” of governmental activities of \$2,026,579, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the Governmental funds balance sheets. The effect of the difference is illustrated below:

Balance Sheet / Statement of Net Position

	Governmental Funds	Reclassifications and Eliminations¹	Statement of Net Position
Assets:			
Cash and investments:	\$ 3,602,833	\$ -	\$ 3,602,833
Accounts receivable	350,190	-	350,190
Interest receivable	22,573	-	22,573
Capital assets	-	3,851	3,851
Total assets	<u>3,975,596</u>	<u>3,851</u>	<u>3,979,447</u>
Liabilities:			
Accounts payable and accrued liabilities	352,040	-	352,040
Deposit payable	11,404	-	11,404
Unearned revenue	-	1,589,424	1,589,424
Total liabilities	<u>363,444</u>	<u>1,589,424</u>	<u>1,952,868</u>
Deferred inflows:			
Unavailable revenue	1,589,424	(1,589,424)	-
Total deferred inflows:	<u>1,589,424</u>	<u>(1,589,424)</u>	<u>-</u>
Fund balances/Net position:			
Total fund balances/net position	<u>2,022,728</u>	<u>3,851</u>	<u>2,026,579</u>
Total liabilities, deferred inflows and fund balances/net position	<u>\$ 3,975,596</u>	<u>\$ 3,851</u>	<u>\$ 3,979,447</u>

¹ When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported in expenditures in governmental funds. However, the statement of net position includes these capital assets among the assets of PLP as a whole. Long-term liabilities such as compensated absences are not due and payable in the current period and therefore they are not reported in the government’s fund balance sheet.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2019

10. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The “net change in fund balances” for Governmental funds \$(1,341,058) differs from the “change in net position” for governmental activities of \$(1,342,812) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the General fund. The effect of the difference is illustrated below:

**Statement of Revenues, Expenditures, and Changes in
Fund Balances/Statement of Activities**

	Governmental Funds	Reclassifications and Eliminations¹	Statement of Activities
EXPENDITURES/EXPENSES:			
Administration and operations	\$ 1,685,620	\$ -	\$ 1,685,620
Special programs:			
Federal	2,519,959		2,519,959
State	69,453		69,453
Depreciation	-	1,754	1,754
Total expenditures/expenses	4,275,032	1,754	4,276,786
REVENUES:			
Program revenues:			
Grants	2,015,347	-	2,015,347
Charges for services	281,145	-	281,145
Total program revenues	2,296,492	-	2,296,492
Net program expense	1,978,540	1,754	1,980,294
General revenues:			
Membership fees	549,262	-	549,262
Interest	88,220	-	88,220
Total general revenues	637,482	-	637,482
REVENUES OVER (UNDER)			
EXPENDITURES	(1,341,058)		
CHANGE IN NET POSITION		(1,754)	(1,342,812)
FUND BALANCES/NET POSITION:			
Beginning of the year	3,363,786	5,605	3,369,391
End of the year	\$ 2,022,728	\$ 3,851	\$ 2,026,580

¹ Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The changes to other charges and gifts and donations reflect the capitalization of these assets. Additionally, governmental funds report compensated absences as expenditures while governmental activities recognize the long-term nature as a liability, the change to contracted salaries and benefits reflects the change in the long-term compensated absences liability from the prior year.

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REQUIRED SUPPLEMENTARY INFORMATION

**Pacific Library Partnership
Required Supplementary Information
For the year ended June 30, 2019**

**Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1, 2018	\$ 3,363,786	\$ 3,363,786	\$ 3,363,786	\$ -
Resources (inflows):				
Grants	3,142,739	3,142,739	2,015,347	(1,127,392)
Charges for services	265,475	265,475	281,145	15,670
Membership fees	604,184	604,184	549,262	(54,922)
Interest	38,000	38,000	88,220	50,220
Total resources (inflows)	<u>4,050,398</u>	<u>4,050,398</u>	<u>2,933,974</u>	<u>(1,116,424)</u>
Amounts available for appropriation	<u>7,414,184</u>	<u>7,414,184</u>	<u>6,297,760</u>	<u>(1,116,424)</u>
Charges to appropriations (outflows):				
Administration and operation:				
System administration	959,008	959,008	998,556	(39,548)
System operations	819,867	819,867	565,219	254,648
Membership services:				
Communication and delivery	302,246	302,246	121,845	180,401
Special Programs:				
Federal	1,969,277	1,969,277	2,519,959	(550,682)
Local	-	-	69,453	(69,453)
Total charges to appropriations	<u>4,050,398</u>	<u>4,050,398</u>	<u>4,275,032</u>	<u>(224,634)</u>
Budgetary fund balance, June 30, 2019	<u>\$ 3,363,786</u>	<u>\$ 3,363,786</u>	<u>\$ 2,022,728</u>	<u>\$ (1,341,058)</u>

FEDERAL SUPPLEMENTARY REPORTS

Pacific Library Partnership
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identification Number	Federal Expenditures
National Foundation on the Arts and the Humanities			
<i>Pass-through programs from the California State Library - State Library Program:</i>			
Literacy Initiatives 17/18	45.310	40-8804	147,439
Networking Ca Library Resources	45.310	40-8765	106,856
Veterans Connect at the Library 17/18	45.310	40-8763	94,887
Student Success Initiative FY 17/18	45.310	40-8761	34,331
CA Rural Library Initiative FY 17/18	45.310	40-8759	54,160
News Literacy Resources Toolkit	45.310	40-8780	19,003
California Preservations Program	45.310	40-8751	98,740
California Library Metrics	45.310	40-8808	127,768
Pulbic Library Staff Education Program	45.310	40-8797	11,365
CA Preservation Program FY 18/19	45.310	40-8831	96,099
Cybersecurity Training for Teens 18/19	45.310	40-8860	9,118
Literacy Initiative FY 18/19	45.310	40-8840	193,673
Pulbic Library Staff Education Program FY 18/19	45.310	40-8882	12,696
Rural Initiative FY 18/19	45.310	40-8843	20,146
Student Success Initiative FY 18/19	45.310	40-8845	98,788
Veterans Connect at the Library FY 18/19	45.310	40-8848	177,457
CA Library Metrics FY 18/19	45.310	40-8888	384,553
Networking Ca Library Resources FY 18/19	45.310	40-8889	345,380
CA Statewide Initiatives FY 17/18	45.310	40-8812	487,500
Total National Foundation on the Arts and the Humanities			2,519,959
Total Federal Expenditures			\$ 2,519,959

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this supplementary information.

Pacific Library Partnership
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2019

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Partnership and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic financial statements.

2. DESCRIPTION OF MAJOR PROGRAMS

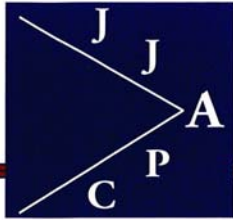
State Library Program – (CFDA #45.310)

As authorized by the Library Services and Technology Act; Museum and Library Services Act of 1996, Title II, Public Law 104-208, to consolidate Federal library services programs; to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages; to promote library services that provide all users access to information through State, regional, and international electronic networks; to provide linkages among and between libraries; and to promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

3. INDIRECT COST ELECTION

The System has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of the
Pacific Library Partnership
San Mateo, California

We have audited, in accordance with the auditing standard generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Pacific Library Partnership (PLP) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise PLP's basic financial statements, and have issued our report thereon dated March 31, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered PLP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control of PLP's internal control. Accordingly, we do not express an opinion on the effectiveness of PLP's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that we have not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PLP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

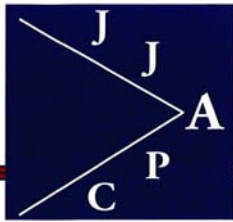
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 31, 2020

JJACPA, Inc.

**JJACPA, Inc.
Dublin, CA**



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Administrative Council
Pacific Library Partnership
San Mateo, California

Report on Compliance for Each Major Federal Program

We have audited the Pacific Library Partnership's (PLP) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of PLP's major federal programs for the year ended June 30, 2019. PLP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each PLP's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PLP's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of PLP's compliance.

Opinion on Each Major Federal Program

In our opinion, PLP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of PLP is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered PLP's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PLP's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 31, 2020

JJACPA, Inc.

**JJACPA, Inc.
Dublin, CA**

Pacific Library Partnership
Schedule of Findings and Questioned Costs
For the year ended June 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
45.310	State Library Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Pacific Library Partnership
Schedule of Findings and Questioned Costs, continued
For the year ended June 30, 2019

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No current year findings or questioned costs.

Section IV – Status of Prior Year Audit Findings

There were no prior year audit findings.

Section V – Corrective Action Plan

There were neither current year findings nor questioned costs (see Section III above).

The logo for Pacific Library Partnership features a stylized sunburst or starburst design in shades of purple and orange, positioned to the right of the organization's name.

Pacific Library Partnership

To: PLP Executive Committee
From: Carol Frost, CEO
Subject: Information Regarding Reduction in Participation Fee for 2020 Middle Management Professional Development Program
Date: May 15, 2020

This year's program has 11 participants. It met in February for a full day at San Jose Public's King Library. The March meeting was cancelled due to Covid-19 and an abbreviated April meeting took place virtually for those who were able to attend. The May meeting will also be virtual and short. Full day meetings rotating among the participant's libraries may begin again in June for the rest of the calendar year.

The participants have been notified of the change. The associated costs for refreshments will be reduced and will the travel time for all participants and for Jane Light.

In previous years the fee for the year-long program has been \$900, paid by the participant's library. Given that the program design has been temporarily altered to a less intensive one, I discussed a fee reduction with Jane Light, the program facilitator, and decided to reduce the fee to \$500 per participant.

To: PLP Executive Committee
From: Yemila Alvarez, Assistant Director
Subject: Proposal for FY 2020/21 for Data Privacy and Cybersecurity Best Practices Training
Date: May 15, 2020

PLP submitted a proposal to the State Library for continuation of the FY 2019/20 Data Privacy Best Practices Training program and what it would look like if it were expanded into FY 2020/21. The expansion would include the addition of cybersecurity related topics.

Building on the templates and toolkit created from the current grant, PLP has proposed to:

- 1 each- Perform survey of public and academic libraries in PLP to determine the needs for additional training surrounding data privacy and cybersecurity.
- 2 each – Data Privacy Unconference Session Based on Feedback From Survey
Two half-day virtual unconference sessions where PLP libraries throughout the region can come together to discuss privacy topics identified in the survey, learn from best practices already in place in their institutions, and discuss future ideas their peers are considering for implementation. The unconference will end with participants identifying what action points from the discussions they can bring back to their library. This will be targeted towards PLP members, but we will open it up to other statewide participants.
- 2 each – Cybersecurity Unconference Session Based on Feedback From Survey
Two half-day virtual unconference sessions where PLP libraries throughout the region can come together to discuss cybersecurity topics and best practices identified in the survey, learn from best practices already in place in their institutions, and discuss future ideas their peers are considering for implementation. The unconference will end with participants identifying what action points from the discussions they can bring back to their library. This will be targeted towards PLP members, but we will open it up to other statewide participants.
- 1 each – Privacy Train-the-Trainer Workshop
A virtual training for PLP libraries to send lead privacy advocates to learn how to train other library staff on privacy best practices, including developing library privacy guidelines and performing privacy assessments. Training will include a related manual that trainers can use to train individuals at their organization.
- 1 each – Cybersecurity Train-the-Trainer Workshop
A virtual training for PLP libraries to send lead cybersecurity advocates to learn how to train other library staff on cybersecurity best practices. Training will include a related manual that trainers can use to train individuals at their organization.
- 1 each – Develop community of practice on Basecamp
Libraries can join, share documents like non-disclosure agreements, privacy policies, etc. and can ask and share information with each other.

- 4 each – Open Phone calls
Four open phone calls can be held for anyone at a library in California to call in and ask questions, and for people to share information about best practices. Calls will jointly focus on data privacy and cybersecurity topics as needed.
- 2 each – Train the trainer handbook – one for data privacy and one for cybersecurity

Work Involved:

Unconference Sessions:

- Administer 1 PLP-wide survey to identify top topics for discussion for each unconference session
- Develop brief guiding resources (slides, handouts, etc.) for each unconference session on the topics selected that can be used in the self-guided discussions, including facilitation guides and exercises based on each topic
- Create a reporting out process that will lead to action points for participants to take back to their libraries for discussion and implementation
- Develop structure for each unconference that allows both discussion within topic groups as well as cross pollination of ideas between topic groups
- Create final white paper/report summarizing discussion outcomes to be shared to the PLP project community of practice
- Encourage participants to continue discussions on and promote PLP project Basecamp community of practice to library colleagues not at the event

Train the Trainer:

- Develop Train the Trainer Model trainings – (2) trainings - including a slide deck, training manual, and handouts/exercises for use during the training
- Create Registration process and manage notifications and sharing of materials
- Add all created content to PLP Website and share links to PLP Basecamp community of practice for the project

Open Phone Calls:

- (4) one-hour open phone calls (jointly focused on Data Privacy and Cybersecurity) for participants to share tips and pose questions to the consultants surrounding data privacy and cybersecurity topics.
- Select dates and schedule phone calls
- Create Registration process and manage notifications and sharing of materials

Evaluation:

- Develop evaluation forms for the unconference webinars and for the Train-the-trainer webinars
- Develop feedback collection method for review and revision of train-the-trainer modules

PLP would once again contract with LDH Consulting Services, an established firm with expertise in data privacy and confidentiality, and would seek out a second consultant for development of the Cybersecurity portions of the grant.

To: PLP Executive Committee
From: Brad McCulley
Subject: Review and Discussion PLP Priorities
Date: May 15, 2020

At the PLP Annual meeting on May 15, the previous Strategic Priorities from FY 2015/16 were reviewed, and the draft new Strategic Priorities were presented. The purpose of this memo is to review the comments from the Administrative Council and review the draft and accompanying data.

DRAFT NEW PLP STRATEGIC PRIORITIES

A survey was issued to PLP libraries about CLSA funds and PLP priorities. There were 6 academic library responses and 33 public library responses. Based on the survey, as well as conversations with libraries, the following draft strategic priorities have been developed for FY 2020/21 through FY 2022/23:

1. Staff training and professional development

PLP has a tradition of providing staff training and professional development for its members, knowing the value of building leadership and providing training that is relevant to its diverse membership. This can be accomplished through the following mechanisms:

- a. Continue to offer leadership training. We have done this through the year-long Executive Leadership Cohort and the Library Middle Managers Professional Program. , both ably led by Jane Light. Leadership training can continue to evolve.
- b. We will continue to support the good work of the long-standing Staff Development Committee, that provides an annual fall conference and spring workshops that address staff needs and interests.
- c. PLP can continue to allocate funds to support regional staff development training. Training topics are developed by either local libraries or regional committees. They are relevant to PLP as a whole, and open to all members. This allows PLP to be nimble and support training initiatives from its members.
- d. We are constantly searching for further professional development opportunities.

2. Support Innovation and Technology

Being in the heart of Silicon Valley, our academic and public libraries are well positioned to develop innovative and transformative ideas. In the past few years, PLP has supported this by:

- a. Annually funding the Innovation and Technology Grants. By continuing to make this a priority, libraries are able to engage in risk taking in developing new ideas and service models with the seed money provided by the grant.
- b. Search for new opportunities for shared technology for some or all PLP members.

3. Continue to seek grants that reflect the regional needs of PLP libraries

- a. In the last three years, we have been awarded three LSTA regional grants: the Student Success Initiative, News Literacy, and Data Privacy grants. PLP has a good track record of querying its members and applying for grants that provide training on relevant topics. We will continue to look for collaborative partners for LSTA, CLSA and IMLS and other grants.
- b. Working with the State Library, PLP can continue to be the fiscal and administrative agent for statewide grants. We can lend our expertise to the greater California community in establishing new initiatives.

4. Maximize the Knowledge and Strength of PLP Individual Libraries

The staffing and expertise within PLP individual libraries is a strength which can be further tapped to benefit member libraries. We can create opportunities for us to share, including but not limited to:

- a. **Continue and Expand the PLP Shared Cataloging/Acquisitions of International Language Materials.** In 2016, as part of the strategic priorities, PLP formed a working group which made great headway on how PLP libraries can share resources related to international language materials. That included identifying which libraries have staff with specific expertise, which libraries collect in certain languages, selection lists, names of vendors, etc. In 2018, SVLS formed the regional Technical Service Group, which took over this initiative. They have established guidelines for sharing, and are actively sharing selection lists with each other through a Basecamp group. In the PLP survey, 21 libraries expressed interest in accessing these shared lists and participating in this initiative. We can expand this to include all interested PLP academic and public libraries, provide training and expand this resource sharing.
- b. **Consider establishing regional or PLP-wide community of interest groups.** Currently, PLP has only one standing group: the Staff Development and Training Committee. Three of the four regions currently have standing groups. The PLP Executive Committee, along with the four regions of PLP, can review the level of interest at the higher level, as well as regionally, to add additional interest groups.
- c. **Explore Purchasing Shared eResources.** PLP can continue to work with the data from the most recent survey to identify possible eCollections which can be shared among libraries. This may be through the use of CLSA funds or collective funds.

ADDITIONAL DATA FROM SURVEY- REGIONAL OR PLP-WIDE COMMUNITY OF INTEREST GROUPS

The survey provided quite a bit of data regarding PLP-wide community of interest groups. Below are some of the comments and data.

Three of the four regions currently have standing groups:

MOBAC

ILL
Reference
Technology
Literacy
Harwood Ad-Hoc Committee
School and Public Librarians
Association of the Monterey
Bay Area (SPLAMBA)

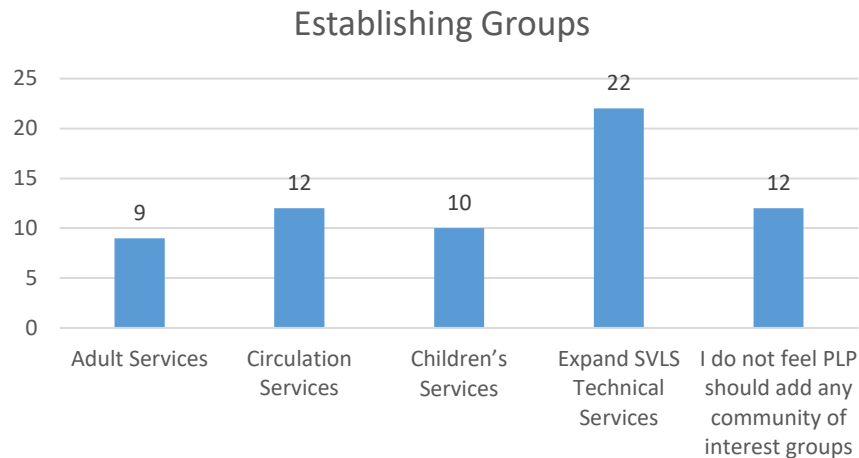
PLS

Acquisitions
Cataloging
Circulation
IT
Marketing
Reference
Youth Advisory

SVLS

Technical Services

One of the survey questions asked if there was interest in PLP creating additional regional groups. Below are the responses:



Below is the same survey data of interest in creating PLP-wide groups, rearranged by region:

	PLP Adult Services	Circulation Services	Children's Services	Expand SVLS Technical Services	PLP should not add any community of interest groups
BALIS	1	2	2	6	5
MOBAC	2	5	3	7	3
PLS	2	1	1	5	4
SVLS	4	4	4	4	0

Several other ideas were presented for communities of interest, including:

- Creating one for academic libraries
- Workforce development
- Digital Inclusion
- Home School Outreach
- The community of interest should bring together staff from throughout the traditional areas of service (adult, youth, circ) and throughout all levels of the organization. 2. Not all communities of interest need to be created for long term. Are there particular communities of interest most relevant or simply of greatest interest to library staff right now? Maybe next year the list of communities will be different in part or in total bringing in a new group of interested staff.

ADDITIONAL DATA FROM SURVEY – LEADERSHIP TRAINING

Below are the additional comments regarding the leadership training:

- Very beneficial
- I really appreciate Jane's work!
- I continue to think that this is a helpful and important program.
- I found the training very useful and hope it is offered in future
- Great program. I advocate to continue it.
- These have been extremely valuable for our staff teams for learning, information sharing and networking.
- I support these trainings.
- I am currently in one of these programs however I think it has probably been put to the back burner with the current COVID-19 situation. I have not been following the updates from PLP this past week to know for sure.
- I found the middle-managers cohort training to be valuable. It might be helpful to invite those graduates to shadow members of the executive group, or at least lurk in a couple of their meetings.
- Valuable. Please continue to offer.
- I think they're both great programs. I'm currently enrolled in the middle-managers' training and looking forward to continuing through the program.
- My folks who have participated have found them valuable. Offer them as the need presents.
- Perhaps the cohort training could continue to connect virtually once the in-person trainings have ended.
- I found the executive cohort very beneficial and I was impressed by the value Jane Pratt found in her experience with the managers cohort. Will there continue to be enough individuals to fill the cohorts each year?
- Though this is great training, I feel like there is enough of this type of training offered from different sources (CSL, CLA). Not sure if PLP also needs to offer this.

ADDITIONAL DATA FROM SURVEY – ADDITIONAL FUNDS FOR STAFF DEVELOPMENT FOR REGIONAL LIBRARIES

In the last 2 years, PLP has allocated \$10,000 to libraries which have ideas for training. Libraries or regional committees can request funds during one of the two calls for funding that happen each year. In the past few years, trainings have included handling homelessness issues, equity in the workplace, inclusionary storytime, adult literacy themes, and technology. Below are the responses about these funds:

Has your library or your committee ever requested these funds? Yes: 10; No: 19; No response: 10

Have you ever attended one of these trainings: Yes: 14; No: 16; No response: 10

Do you have comments you would like to provide for the PLP Executive Committee to consider regarding the funds for staff development for regional libraries?

- I would be interested to see how we could use current tools and methods for online but interactive trainings including course models that blend interactive online sessions with assignments in between. Our Literacy For Every Adult Program that does basic literacy, GED prep in English and Spanish, and Online High School quickly transitioned all classes and tutoring online for the most part using Zoom. We are exploring how to offer our homework assistance program online using our Admin Student Intern that runs the program and the volunteers. Possibly using Zoom as well. Is there a way to use Zoom for meet ups to discuss issues, solve problems or just to b? Another thought is about timing. I keep thinking about the next generation and how CLA discovered there were many members that prefer to have nighttime activities. Could we offer online interactive meetings, classes. online networking events in the evening? If we truly are going to be closed for months and jurisdictions are willing to pay staff who are working remotely this would be a great opportunity to offer training, networking opportunities and encourage collaborative work on policies, procedures, program planning and ideas for online services. Perhaps Libraries who have staff to lead some of these efforts could apply for funds to cover the cost of their time worked.
- Discontinue
- We are basically a 1-3 staff library so many things are far beyond our capabilities. I hope that my participation helps not only me but the MOBAC community as a whole.
- Keep offering it, the networking and conversations these spark are very valuable
- I haven't attended but my staff have and they have all been great

ADDITIONAL DATA FROM SURVEY – OTHER IDEAS FOR PLP PRIORITIES

- The section on access to professional expertise & consultants is intriguing to me. The shared resources for cataloging international languages could allow us to expand our Asian language collection and look into expanding our collection to other languages. I'm not certain that our demographics would justify this expansion, but it would be interesting to look into it. To my knowledge, we haven't added to the Asian language collection for at least 10 years.
- The models for community engagement could be useful to share ideas with other libraries. It is an opportunity to learn from other libraries and see if some of these ideas could work for RPL. There are a lot of good things being done at other local libraries and I think it would be helpful to share ideas and learn from what others are doing.
- The section on knowledge platform/document repository where we could share policies, procedures and best practices with other libraries would give us a jump start on getting our policies and procedures updated. This is something we have been lacking for years. For me, the idea of starting from scratch to develop policies is discouraging and prevents me from moving forward. If we could borrow from what others are doing, it would make the process less intimidating.
- I'm not sure how successful we will be with the Student Success Initiative without buy-in from the West County School District. We might be better served by putting our efforts into another place. I do think the area of data privacy is something we should be thinking about and the best practices could be a useful place to start.
- Need to be revisited in light of economic downturn
- Thumbs up
- Carol, I know you are tied in with ULC--I would say keep building that connection and keep PLP priorities aligned as appropriate. A number of PLP libraries aren't in those ULC conversations and could benefit. Also, we have some PLP member libraries (and librarians) who are leading conversations nationally. I'd like to think about how PLP can tap into this local expertise more, in local trainings, or brown bag lunches, or at the annual Spring event.
- Learning more about each library's internal training, onboarding and collaborative working models would be very beneficial.
- I like the knowledge platform
- Continue staff development and increase if we can.
- These still look great.



To: PLP Executive Committee
From: Carol Frost
Subject: Revised FY 2019/20 PLP Contract with PLS for Administrative Services
Date: April 2, 2020

PLP contracts with the Peninsula Library System (PLS) for administrative oversight. The current approved contract between the two agencies for FY 2019/20 is \$1,076,482. The PLP contract includes the staffing costs for the contract between PLP and the NorthNet Library System.

Since that contract was approved, a change has occurred which necessitates a revision to the contract.

In November 2019, PLP was awarded to be the fiscal agent for the statewide Lunch at the Library project. This project is \$1,000,000, which includes \$18,740 for staff time for work to be performed by PLS staff, and \$45,000 of Indirect. In consideration of the time needed to oversee, administer and perform the work, as well as general indirect costs, it is recommended that 10% of the Indirect (\$4,500) be allocated to PLS, and 90% (\$40,500) allocated to PLP.

Recommendation

It is recommended that the PLP Executive Committee approve the FY 2019/20 amended PLP/PLS contract for administrative and fiscal services to include an additional \$23,240 for the work of the Lunch at the Library Project (\$18,740 plus \$4,500). Adding this to the existing contract of \$1,076,482 will result in a revised total contract of \$1,099,722.

This contract amendment has been reviewed and approved by the PLS Administrative Council at their April meeting.

Amended
PLP/PLS CONTRACT
July 1, 2019 to June 30, 2020
Scope of Services for PLP and NorthNet Systems

Administration, Operation & Accounting

Oversee the action plan to institute strategic directions
 Coordinate and attend System Executive and Council Meetings
 * Prepare and distribute System Executive and Council Meeting agenda packets & minutes
 * Make arrangements for System Executive and Council Meetings
 * Prepare and submit reports to System Executive and Council Meeting regarding system activities
 Maintain systems member rosters and directories
 Prepare, monitor, and report on CLSA activities, funding and reports in consultation with System Executive Committees
 Represent and advocate for PLP and NLS regionally, statewide and nationally
 Distribute legislative, State Library and federal/IMLS correspondence
 Coordinate with member libraries for delivery needs
 Pursue grant and other funding opportunities
 Administer and evaluate system contracts
 Explore cooperative purchasing opportunities with other systems or regions
 Prepare and monitor systems budget in consultation with System Executive Committees
 Prepare Professional Services and Contractual Services agreements
 Invoice preparation, accounts receivable and payable
 Systems acquisitions and invoice payments
 Systems narrative and financial reporting (grant & non-grant)
 Prepare annual IRS 1099 form for contractors
 Coordinate systems annual Single Audit and Financial Statements
 Prepare annual statements of LAIF interest earned, Statement of Economic Interest, etc.

Chief Executive Officer	0.70	\$178,311
Assistant Director	0.88	\$175,940
Controller	0.50	\$108,005
Office Manager	0.63	\$87,823
Fiscal/Admin Services Specialist	0.46	\$70,017
Account Clerk II	0.72	\$69,271
Secretary	0.50	\$58,549
Office Assistants	0.84	\$30,878
IT Director	0.05	\$8,063

TOTAL PLP & NLS Staffing Support Costs	5.27	\$786,857
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(Time included for administering PLP and NorthNet)

<i>Director & Asst Director prorated auto allowance</i>		\$3,300
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<i>Total PLP & NLS Staffing Support & Auto Allow. Costs</i>		\$790,157
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10% Overhead		\$79,016
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TOTAL PLS/PLP CONTRACT		\$869,173
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NLS AMENDED CONTRACT	\$	207,309
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Approved June 2019 TOTAL CONTRACT	\$	1,076,482
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January 2020 Amendment	\$23,240
TOTAL AMENDED CONTRACT	\$ 1,099,722



PLP / NorthNet Contract FY 2020/21

<u>Staff</u>		<u>Total</u>
	<u>Administration</u>	
CEO	2 hours/week at \$124.34/hour <i>Provide oversight; work with Executive Committee and Coordinator</i>	\$12,931
Office Manager	8 hours/week @ \$64.30/hour <i>Manage website, listservs and rosters. Point of contact for System Delivery and PLSEP grant. Prepare and distribute agenda packets and minutes, manage UPS accounts, delivery contracts, set up conference calls for committees.</i>	\$26,749
Administrative Assistant II	1.50 hours/week @ \$52.24/hour <i>Prepare system contracts, open mails, mail ILL materials coordinate Form 700s.</i>	\$4,075
Subtotal - Administration		\$43,755
	<u>Fiscal Accounting</u>	
Controller	4 hours/week @ \$104.98 <i>Prepare/monitor budget, authorize and approve payments. Prepare reports/paperwork for audit, prepare financial reports for State and local government. Coordinate database and eContent contract renewal, review delivery contracts/services</i>	\$21,836
Account Clerk	3 hours/week at \$44.30 <i>Process payables weekly, prepare invoices, prepare deposits</i>	\$6,911
Fiscal/Admin Services Spec.	3.5 hours/week at \$ 66.97 <i>Prepare invoices and deposits, reconcile bank statements prepare CalPERS reports, prepare document for liability insurance</i>	\$12,189
Administrative Assistant	4 hours/week at \$21.07 <i>Filing, prepare Holiday Schedule, mail checks and invoices</i>	\$4,383
Subtotal - Fiscal Acctg		\$45,318
	Total Administration/Fiscal Accounting	\$89,073
Coordinator	8 hours/week at \$75/hour <i>Distribute legislative, CLSA and other State Library Correspondence, prepare agenda with Executive Council committee, take Council and Executive meeting minutes, work with CalPERS related issues Prepare CLSA Plan of Service and annual reports</i>	\$31,200
	Total Staffing	\$120,273
	Mileage	
	3 round trips @242 mile@ 57.5 cents per mile	\$417
	Total	\$120,690
	10% Overhead	\$12,069
Total FTE	Grand Total	\$132,759



PLP/PLS CONTRACT
July 1, 2020 to June 30, 2021
Scope of Services for PLP and NorthNet Systems

Administration, Operation & Accounting

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 Administer and evaluate system contracts
 Explore cooperative purchasing opportunities with other systems or regions
 Prepare and monitor systems budget in consultation with System Executive Committees
 Prepare Professional Services and Contractual Services agreements
 Invoice preparation, accounts receivable and payable
 Systems acquisitions and invoice payments
 Systems narrative and financial reporting (grant & non-grant)
 Prepare annual IRS 1099 form for contractors
 Coordinate systems annual Single Audit and Financial Statements
 Prepare annual statements of LAIF interest earned, Statement of Economic Interest, etc.

Chief Executive Officer	0.70	\$181,039
Assistant Director	0.88	\$191,282
Controller	0.50	\$109,179
Office Manager	0.63	\$83,590
Fiscal/Admin Services Specialist	0.46	\$64,425
Account Clerk II	0.72	\$71,775
Secretary	0.50	\$54,330
Office Assistants	0.84	\$36,906
IT Director	0.05	\$9,542
TOTAL PLP & NLS Staffing Support Costs	5.27	\$802,068
<i>(Time included for administering PLP and NorthNet)</i>		
<i>Director & Asst Director prorated auto allowance</i>		\$3,300
<i>Total PLP & NLS Staffing Support & Auto Allow. Costs</i>		\$805,368
10% Overhead		\$80,537
TOTAL PLS/PLP CONTRACT		\$885,904

FY 2020-21 PLP Membership Fees

Library	Amount
Alameda County Library	\$30,641
Alameda Free Library	\$10,641
Berkeley Public Library	\$27,641
Burlingame Public Library	\$15,641
Cabrillo College Library	\$2,000
Contra Costa County Library	\$30,641
CSU Monterey Bay Library	\$2,000
Daly City Public Library	\$10,641
Gavilan College Library	\$1,500
Harrison Memorial Library - Carmel	\$8,641
Hartnell College Library	\$1,500
Hayward Public Library	\$15,641
Livermore Public Library	\$15,641
Los Gatos Public Library	\$9,641
Menlo Park Public Library	\$9,641
Monterey County Free Libraries	\$18,641
Middlebury Institute of International Studies	\$1,500
Monterey Peninsula College Library	\$1,500
Monterey Public Library	\$10,641
Mountain View Public Library	\$15,641
Naval Post Graduate School Library	\$5,000
Oakland Public Library	\$35,641
Pacific Grove Public Library	\$8,641
Palo Alto Public Library	\$19,641
Pleasanton Public Library	\$11,641
Redwood City Public Library	\$18,641
Richmond Public Library	\$15,641
Salinas Public Library	\$11,641
San Benito County Library	\$7,641
San Bruno Public Library	\$9,641
San Francisco Public Library	\$35,641
San Jose Public Library	\$35,641
San Juan Bautista Public Library	\$750
San Mateo County Community College District	\$3,000
San Mateo County Library	\$35,641
San Mateo Public Library	\$16,641
Santa Clara City Library	\$19,641
Santa Clara County Library	\$35,641
Santa Cruz Public Libraries	\$27,641
South San Francisco Public Library	\$11,641
Sunnyvale Public Library	\$17,641
UC Santa Cruz Library	\$5,000
Watsonville Public Library	\$10,641
TOTAL	\$638,903

FY 2020-21 PLP PROPOSED BUDGET SUMMARY

	Admin	Delivery	System Operation	TOTAL
<u>Revenue</u>				
Interest Income			\$49,000	\$49,000
Other Agencies	\$141,159	\$2,000		\$143,159
Member Fees	\$457,776		\$181,127	\$638,903
Workshop Fees			\$18,000	\$18,000
State Grant-CLSA	\$140,253	\$561,011		\$701,264
State Grant-LSTA	\$216,330	\$411,389		\$627,719
Fund Balance	\$0		\$0	\$0
Total Revenue	\$955,518	\$974,400	\$248,127	\$2,178,045
<u>Expenditure</u>				
Communications		\$5,000		\$5,000
Mileage	\$300			\$300
Equipment Maintenance	\$5,000			\$5,000
Printing	\$3,000			\$3,000
Professional Services	\$5,000		\$25,000	\$30,000
Contractual Services	\$901,368	\$208,912	\$194,697	\$1,304,977
Office Expense	\$3,000	\$2,000		\$5,000
Postage		\$6,000		\$6,000
Special Departmental-CLSA		\$752,488		\$752,488
Library Materials				\$0
General Insurance	\$3,000			\$3,000
Membership Fees/Dues	\$4,500		\$15,430	\$19,930
Travel & Meetings	\$9,400		\$1,000	\$10,400
Education & Training	\$800			\$800
Subscriptions	\$500			\$500
Service Fees	\$400			\$400
Reimbursable - Legacy System EXP	\$8,400			\$8,400
Workshop Expenses	\$10,000		\$12,000	\$22,000
Lease Equipment	\$850			\$850
Total Expenditure	\$955,518	\$974,400	\$248,127	\$2,178,045
Fund Balance	FY19/20		FY20/21	
Beginning Fund Balance	\$1,709,345		\$1,713,196	
Estimated Ending Fund Balance	\$1,713,196		\$1,713,196	
Reserve				
Operating Reserve	\$313,383			

**PACIFIC LIBRARY PARTNERSHIP
FY 2020-21 PROPOSED BUDGET**

ADMINISTRATION (920)

		Adopted FY19/20	Proposed FY20/21	Note
GL Acct	Revenues			
3601	Other Agencies	\$ 8,400	\$ 8,400	BALIS Retirees Medical -BALIS Reserve
3601	Other Agencies	336,089	132,759	NorthNet Baseline Contract \$132,759
3661	Member Fees	465,690	457,776	PLP Membership Fees
3667	State Grant-CLSA	140,253	140,253	CLSA System Admin Funds
3668	Federal Grant	275,000	216,330	LSTA Grants-Indirect Costs Prior & Current Year
3000	Fund Balance		0	Use of Fund Balance
	Total Revenues	\$ 1,225,432	\$955,518	(22.03%)
	Expenditures			
4216	Mileage	\$ 300	\$ 300	
4217	Equipment Maintenance	4,800	5,000	MIP Acctg Software Maint. & Support
4218	Printing	4,000	3,000	PLP Directory
4219	Professional services	80,000	5,000	Consultants
4220	Contractual Services	1,088,482	901,368	PLS Contract \$885,904; Audit Services \$16,000
4230	Office Expense	4,500	3,000	Office Supplies
4238	Library Books/Materials	-	-	
4301	General Insurance	3,000	3,000	Professional Liability Insur-PLP Board Members
4302	Member Fees/Dues	4,500	4,500	CLA, ALA , BayNet & other membership fees
4303	Travel/Meetings	14,900	9,400	Annual Conferences (\$4K); Nat'l Legislature Day (\$ 5.4K)
4304	Education & Training	800	800	
4305	Subscriptions	500	500	
4373	Service Fees	400	400	Credit card and banking fees
4434	Workshop Expenses	10,000	10,000	System-wide Non-Fee Trainings
4448	Reimbursable - Legacy System Expense	8,400	8,400	BALIS Retirees Medical Cost -BALIS Reserve
4585	Lease Equipment	850	850	Postage meter
	Total Expenditure	\$1,225,432	\$955,518	(5.07%)

**PACIFIC LIBRARY PARTNERSHIP
FY 2020-21 PROPOSED BUDGET**

CLSA COMMUNICATIONS & DELIVERY (924)

		Adopted FY 19/20	Proposed FY 20/21	Note
<u>GL Acct</u>	<u>Revenues</u>			
3601	Other Agencies	\$ 2,000	\$ 2,000	MOBAC Add'l Delivery Service
3667*	State Library-CLSA	561,011	561,011	CLSA C & D Allocation
3668	State Library-LSTA Grant	233,066	411,389	Rolled -over CLSA Funds FY2019-20
	Total Revenues	\$796,077	\$974,400	22.40%
<u>EXPENDITURES</u>				
4212	Communication	\$5,000	\$5,000	PLP 800 Number; Fax; Landlines
4220	Contractual Services	204,840	207,232	Systems delivery contracts
4220		-	1,680	Website Hosting Fees \$1,380 (PLP) & \$300 (MOBAC)
	<u>Systems Delivery</u>			
	BALIS	\$56,900		
	MOBAC	61,800		
	PLS (CLSA Fund)	61,532		
	SVLS	27,000		
	Total Systems Delivery	\$207,232		
4230	Office Expenses	2,000	2,000	Delivery Supplies (tags, labels, etc)
4233	Postage	6,000	6,000	UPS & FEDEX
4234*	Special Departmental -CLSA	300,000	300,000	CLSA Allocation to Libraries
4234*	Special Departmental -CLSA	278,237	452,488	Unallocated CLSA Funds
	Total Expenditure	\$796,077	\$974,400	22.40%

*Note - Highlighted budget allocations pending approved CSL FY20/21 Approved Budget

**PACIFIC LIBRARY PARTNERSHIP
FY 2020-21 PROPOSED BUDGET**

SYSTEM OPERATION (928)

		Adopted FY 19/20	Proposed FY 19/20	Note
<u>GL Acct</u>	<u>Revenues</u>			
3510	Interest Income	\$ 90,400	\$ 49,000	Investments Interest Income (LAIF & CD)
3661	Member Fees	95,213	181,127	PLP Membership Fees (Prorated)
3663	Workshop Fees	\$8,000	\$18,000	Spring Fling & Future of Libraries (\$8K), Exec & Mid-Mgmt Training (\$10K)
3000	Fund Balance	-	-	Use of Fund Balance
	Total Revenues	\$193,613	\$248,127	28.16%
4219	Professional Services	\$ -	\$ 25,000	Consultant for Exec & Mid-Mgmt Training (moved from Admin Budget)
4220	Contractual Services	170,193	194,697	Innovation grants(\$150K); Unallocated membership Fees (\$44,697)
4302	Membership Fees	15,420	15,430	Califa membership for members
4303	Travel & Meetings	-	1,000	Mileage
4434	Workshop Expenses	8,000	12,000	Staff Development Fee-Based Training (\$8,000)- Future of Libraries, Mid-Mgmt Training Refreshments & Supplies (\$4,000)
	Total Expenditure	\$193,613	\$248,127	28.16%

To: PLP Executive Committee
From: Carol Frost, CEO
Subject: Discussion of FY 2020/21 CLSA Allocations
Date: May 15, 2020

Current Unspent CLSA Funds

There is \$68,218 remaining of FY 2018/19 CLSA funds, which must be spent by June 30, 2021. There is \$343,171 of FY 2019/20 funds remaining, which must be spent by June 31, 2022. These are both communication and delivery baseline fund, and total \$411,389.

FY 2020/21 CLSA Funds

The State Librarian has indicated that the FY 2020/21 CLSA funds are at jeopardy and that all cooperatives should be making contingency plans in case funds are not included in Governor Newsom's May Revise budget, which is anticipated to be released on May 14.

In FY 2019/20, PLP received \$701,264 of CLSA funds. Of that, 20% (\$140,253) was allocated for system administration, and 80% (\$561,011) was allocated for baseline communication and delivery. Those percentages are fixed. The system administration covers staff time. The baseline covers costs including postage, costs for websites, delivery within the 4 systems, communication costs, and the remaining funds have been distributed back to libraries. The PLP Executive Committee generally has chosen to hold back some funds for future purchases.

Below is a synopsis of how CLSA funds were allocated.

FY 2019/20 CLSA BUDGET DETAIL

System Administration - 20%	\$140,253	
System Administration	\$140,253	salaries
Communications & Delivery - 80%	\$561,011	
Office supplies	\$2,000	
Web hosting, telecommunications	\$5,000	
Postage	\$6,000	
Delivery	\$204,840	for 4 regions
Subtotal	\$217,840	
C&D Budgeted Funds to Libraries	\$300,000	for libraries to choose from menu

For the last two years, \$200,291 and \$300,000 were allocated back to libraries respectively to choose from the previously approved menu of items.

Scenario: No CLSA Funds are Allocated in FY 2020/21 and Costs Covered from CLSA Unspent Funds and other PLP Revenue

If the Governor's May Revise eliminates the CLSA funds, PLP will not receive any funds for this upcoming year. The budget includes costs that must still need to be covered, including the delivery contracts, staffing, web hosting, and other costs. The chart below represents estimated costs for FY 2020/21:

Whether CLSA funding or not, these must be funded

FY 2020/21	
Office supplies	\$2,000
Web hosting, telecommunications	\$5,000
Postage	\$6,000
Delivery	\$207,232
Total	\$220,232
Unallocated CLSA funds	\$411,389
Remaining CLSA Funds	\$191,157
System Admin (to be covered using other funds)	
	\$140,253

The system administration costs (\$140,253) and essential baseline costs (\$220,232) total approximately \$360,495. The current unspent CLSA funds can cover only the baseline C&D costs, leaving a balance of \$191,157.

The \$140,253 of System Administration would need to be covered by the PLP membership fees or other revenue sources.

Considerations

More will be known after the Governor's revised budget is released. The PLP Executive Committee may consider its options once more information is known.

To: PLP Executive Committee
From: Carol Frost, CEO
Subject: Review of PLP CLSA Menu for Libraries
Date: May 15, 2020

PLP annually receives California Library Services Act (CLSA) funds that may be used for resource sharing. At the May 2018 PLP Executive Committee meeting, it was agreed that PLP would move from using CLSA funds to exclusively purchase system-wide products (enki and SimplyE), to a model with funds being allocated to libraries.

At the January 2020 PLP Executive Committee meeting, staff reported that in FY 2020/21, some libraries will not be able to participate in any of the selections on the current menu, and a new menu of options will need to be developed.

For the last two years, \$200,291 and \$300,000 were allocated back to libraries to select from the following menu of services:

- enki (libraries negotiate their own subscriptions)
- Overdrive (only for the 19 libraries which are in a shared environment)
- Bibliotheca's CloudLibrary Consortia product
- Broadband hardware and telecommunication costs
- Link+
- a special project among some MOBAC libraries for a shared ILS study

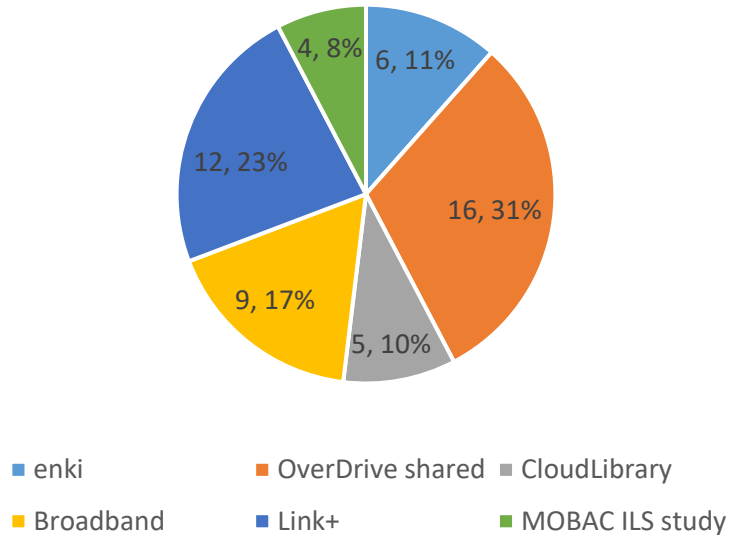
A survey was issued to PLP libraries about CLSA funds and PLP priorities. The purpose of this memo is to review the survey results and develop a revised menu of options.

Review of Survey Results

There were 33 public library responses (some libraries had more than one staff person complete the survey) for the CLSA portion of the survey.

The chart below represents the number of libraries that would be able to use CLSA funds for local resource in FY 2020/21 if the current menu of options was available.

What libraries can allocate to next FY using current menu



Other data from the survey includes:

- 8 libraries indicated they could only allocate funds to one service.
- Some of those libraries indicated services such as Link+ or OverDrive, but some of the MOBAC libraries will have no other choice once the shared ILS study is completed. The MOBAC study option will not be needed next fiscal year.
- 16 libraries were interested or somewhat interested in PLP exploring purchasing a shared eMagazine Collection
- 26 libraries were interested or somewhat interested in PLP exploring an unlimited digital media solution. PLP reached out to two vendors for quotes. Please see below for more information.
- One library really liked Analytics on Demand and is sad to see it not be renewed.
- Interest in specific products, like TumbleBooks, resources for kids, Spanish language resources
- A PLS library asked if more CLSA funds could be used to pay for PLS delivery

Other topics mentioned that do not fall within the scope of using CLSA funds, including:

- Hoopla
- Organizational development consulting services and staff development
- MS Project Management or other tool and discounted pricing
- Sharing new platforms and resources each library has discovered

Recommended Changes to Current Menu of Options

1. Eliminate the MOBAC Shared ILL Study. This has been funded two phases – a feasibility phase and an implementation phase. The implementation phase has been extended through next fiscal year. If the libraries decide they need funding, they could request it at a future PLP Executive Committee meeting.
2. Continue offering enki, Link+, Cloud library and OverDrive in a shared environment.
3. Continuing offering Broadband. It should be noted that the NorthNet Library System has written a memo to the CLSB asking for a review of the definition of Broadband to consider including
 - ✓ Broadband ongoing telecommunication costs from CENIC (i.e. CENIC recurring costs)
 - ✓ Warranties on the data center network router, which connects the CENIC network to the library network. The warranties pay for support, without which a library would need to pay for any repair out of pocket, or possibly purchase new equipment should it fail.
 - ✓ Data center network security software protection from hacks, viruses and breaches.PLP has not written a letter to the CLSB to support this although verbal support can be done at the meeting, which delayed due to COVID-19. This expanded definition would benefit the smaller libraries.
4. Add Simply E to the menu. There are 13 PLP libraries which currently participate in SimplyE. CLSA funds had previously been allocated to any PLP library that wanted to join, and because Califa found additional funding, PLP never used CLSA funds for this initiative. Annual cost is \$3,000. If a new library wishes to join, there are no additional implementation costs.
5. Purchase a shared eResource for the interested libraries. Staff received quotes from two vendors to begin to review the viability of this option. Creating a shared eResource would benefit smaller, more rural libraries that do not have a lot of funds available for eResources. It would also mean that CLSA funds would need to be dedicated over the lifespan of the subscription.

Recommendation

It is recommended that the menu include the following:

- enki (libraries negotiate their own subscriptions)
- OverDrive (only for the 20 libraries which are in a shared environment)
- Bibliotheca's CloudLibrary Consorita product
- Broadband hardware costs
- Link+
- SimplyE
- PLP negotiated shared eContent platform for select libraries

At the writing of this memo, the Governor's May budget revise has not yet been issued. Should no CLSA funds be included in the Governor's budget, PLP will deplete most of its existing funds to pay for baseline costs, and may choose to allocate no funds or very limited funds back to libraries in FY 2020/212. It is recommended that the PLP Executive Committee consider modifying the menu so that work can continue on exploring shared eResource products. The PLP Executive Committee should also take into consideration parameters of potentially developing a system-wide contract for a shared eResource.

Additional Information – Participation by Libraries

SimplyE – 13 libraries

Alameda County Library	San Francisco Public Library
Berkeley Public Library	San Jose Public Library
Contra Costa County Library	San Mateo Public Library
Mountain View Public Library	San Mateo County Library
Oakland Public Library	Santa Clara County Library District
Palo Alto City Library	Sunnyvale Public Library
Pleasanton Public Library	

OverDrive Advantage Plus - 20 libraries

8 Peninsula Library System Libraries

Burlingame
Daly City
Menlo Park
Redwood City
San Bruno
San Mateo Public
San Mateo County
South San Francisco

12 Libraries participating in Overdrive Northern California Digital Library

Alameda County
Harrison Memorial Library
Hayward
Monterey Public
Mountain View
Pacific Grove
Palo Alto
Pleasanton
San Benito County
Santa Clara City
Santa Cruz
Watsonville

Libraries interested or somewhat interested in shared eMagazine collection (16 libraries)

Berkeley Public Library	Palo Alto Library
Contra Costa Library	Redwood City Public Library
Daly City Public Library	Richmond Public Library
Harrison Memorial (Carmel)	Salinas Public Library
Hayward Public Library	San Benito County Free Library
Los Gatos Library	San Bruno Library
Mountain View Public Library	Sunnyvale Public Library
Oakland Public Library	Watsonville Public Library

Libraries interested or somewhat interested in Shared unlimited digital media Collection (24 libraries)

Berkeley Public Library	Palo Alto Library	<i>(additions from libraries above)</i>
Contra Costa Library	Redwood City Public Library	Pleasanton Public Library
Daly City Public Library	Richmond Public Library	San Francisco Public Library
Harrison Memorial (Carmel)	Salinas Public Library	San Jose Public Library
Hayward Public Library	San Benito County Free Library	Santa Clara County Library District
Los Gatos Library	San Bruno Library	Santa Clara City Library
Mountain View Public Library	Sunnyvale Public Library	Santa Cruz Public Libraries
Oakland Public Library	Watsonville Public Library	San Juan Bautista Library
		South San Francisco Public Library

Draft**FY 2020/21 PLP Executive Committee Meeting Schedule**

Monday, June 15, 2020, 10 a.m.

Monday, October 19, 2020, 10 a.m.

Monday, January 25, 2021, 10 a.m. (Adjusted due to MLK Holiday)

Friday, May 21, 2021, at the conclusion of the PLP Annual Director's Meeting

Monday, June 21, 2021, 10 a.m.

DRAFT