

Department of Legislative Services  
 Maryland General Assembly  
 2014 Session

FISCAL AND POLICY NOTE  
 Revised

House Bill 1242  
 Ways and Means

(Delegate Hixson, *et al.*)

Budget and Taxation

**Libraries - Maryland Library for the Blind and Physically Handicapped - Funding**

This bill establishes a minimum State funding amount for the Maryland Library for the Blind and Physically Handicapped (LBPH), beginning in fiscal 2016. Annual State funding under the formula will equal an amount equivalent to at least 25% of the State funding received by the State Library Resource Center (SLRC). The bill also authorizes the Maryland State Department of Education (MSDE) to include operating funding for LBPH in its budget and to disburse funds to LBPH.

The bill takes effect July 1, 2014.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by approximately \$2.4 million in FY 2016. Future year expenditures reflect projected increases in State population and the scheduled increases in the per capita grant under the existing SLRC funding formula. Revenues are not affected. **This bill establishes a mandated appropriation beginning in FY 2016.**

(\$ in millions)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	2.4	2.5	2.6	2.7
Net Effect	\$0	(\$2.4)	(\$2.5)	(\$2.6)	(\$2.7)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** The Maryland State Library Network ensures that the major library resources of the State will be readily available to all Maryland residents, thus improving the capacity of each library to meet the specific informational needs of its users and provide maximum use of existing collections. The library network includes the Enoch Pratt Free Library in Baltimore City, which is designated as the State Library Resource Center; three regional resource centers located in Hagerstown, Charlotte Hall, and Salisbury; and the metropolitan cooperative service programs.

State funding for SLRC is based on a per capita grant of \$1.67 for fiscal 2015 and 2016; \$1.73 for fiscal 2017; \$1.79 for fiscal 2018; and \$1.85 for fiscal 2019 and each subsequent year. There is no minimum required State annual funding for LBPH.

**Background:** LBPH, located in Baltimore City, is a statewide library program serving 8,000 blind, visually impaired, physically disabled, and reading disabled Maryland residents. The library is the primary source of books, periodicals, and other information in formats such as Braille, large print, and recorded books. Over 350,000 items are borrowed each year.

LBPH is operated by MSDE and is a component of the National Library Service for the Blind and Physically Handicapped (NLS) at the Library of Congress. NLS administers the free program that loans recorded and Braille books and magazines, music scores in Braille and large print, and specially designed playback equipment to individuals who are unable to read or use standard print materials because of visual or physical impairment. LBPH is primarily funded by federal Library Services and Technology funds from the Institute for Museums and Library Services.

The proposed fiscal 2015 State budget includes \$9.8 million for SLRC. MSDE advises that approximately \$85,000 in general funds are included in the proposed fiscal 2015 State budget for LBPH.

**State Expenditures:** The bill provides LBPH with State funding in an amount equivalent to at least 25% of the amount of funding received by the SLRC in the same fiscal year, beginning in fiscal 2016. The bill does *not* alter the SLRC formula funding.

Based on projected increases in State population and given scheduled per capita increases in the State funding formula, SLRC will receive an estimated \$9.9 million in fiscal 2016 increasing to \$11.2 million by fiscal 2019. Therefore, estimated minimum State funding for LBPH will total \$2.5 million in fiscal 2016 and \$2.8 million in fiscal 2019. Assuming that approximately \$85,000 in general funds for LBPH will be budgeted each year under

current law, estimated expenditure increases total \$2.4 million in fiscal 2016 and \$2.7 million in fiscal 2019.

MSDE advises that increased State funding under the bill would make available approximately \$1.7 million in annual federal funds that are currently used to support LBPH. Instead these funds could be used for grants to county library systems and to higher education institutions. Until recently, this type of grant funding had been the principal use of these federal funds.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 419 (Senator Manno, *et al.*) - Budget and Taxation.

**Information Source(s):** Maryland State Department of Education, Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2014  
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Analysis by: Scott P. Gates

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510