

Department of Legislative Services  
 Maryland General Assembly  
 2016 Session

FISCAL AND POLICY NOTE  
 Enrolled - Revised

House Bill 1401

(Delegate B. Robinson, *et al.*)

Ways and Means

Budget and Taxation

**Enoch Pratt Free Library - Hours of Operation - Funding**

This bill requires the Governor to provide \$3.0 million in the State budget for fiscal 2018 through 2022 to support additional operating expenses for branches of the Enoch Pratt Free Library (EPFL) that increase their operating hours above the hours in effect as of January 1, 2016. To receive grant funding from the Maryland State Department of Education (MSDE), Baltimore City must (with public and/or private funds) provide a 25% funding match to support additional EPFL operating expenses. The bill expresses the intent of the General Assembly that the increased operating hours be prioritized to EPFL branches located in low-income and underserved communities.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$3.0 million in FY 2018 through 2022, to cover increased operational costs at EPFL. Also, State retirement aid for Baltimore City professional library staff increases by approximately \$250,000 annually from FY 2020 to 2024. **This bill establishes a mandated appropriation in FY 2018 through 2022.**

| (\$ in millions) | FY 2017 | FY 2018  | FY 2019  | FY 2020  | FY 2021  |
|------------------|---------|----------|----------|----------|----------|
| Revenues         | \$0     | \$0      | \$0      | \$0      | \$0      |
| GF Expenditure   | 0       | 3.00     | 3.00     | 3.25     | 3.25     |
| Net Effect       | \$0.00  | (\$3.00) | (\$3.00) | (\$3.25) | (\$3.25) |

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

**Local Effect:** Baltimore City expenditures increase by \$750,000 in FY 2018 to 2022 to provide the required match, and by an additional \$210,000 in FY 2019 to 2023 to cover additional personnel costs. Baltimore City receives and expends \$3.0 million in State funds in FY 2018 through 2022.

**Small Business Effect:** Minimal.

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## Analysis

**Bill Summary:** By June 1 of 2017 through 2022, the Mayor and City Council of Baltimore City must provide an annual report to the Department of Budget and Management (DBM) and to the Senate Budget and Taxation Committee and the House Appropriations Committee that includes a list of branches in the next fiscal year that will be subject to increased operating hours and an explanation of the selection process for making this determination.

By December 31, 2020, MSDE must submit a report to DBM and to the Senate Budget and Taxation Committee and the House Appropriations Committee that:

- includes an evaluation of the impact of the increased hours of operation of EPFL branches;
- discusses the appropriateness of continued increased State funding for increased hours of operation of EPFL branches; and
- includes recommendations for the future of continued increased State funding for EPFL, including new technologies and changing neighborhood demographics and characteristics.

**Current Law/Background:** The State provides funds to libraries designated as resource centers including the State Library Resource Center (SLRC, the Central Library of EPFL) in Baltimore City and to regional resource centers, including the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown. Chapter 397 of 2011 set SLRC funding at \$1.67 per resident for fiscal 2012 through 2016, before a phase-in to \$1.85 in 2019 and in subsequent years. Chapter 489 of 2015 extended the phase-in to fiscal 2025. Under Chapter 500 of 2014, per resident funding for regional resource centers was set to increase to \$7.50 in fiscal 2016 and phase up to \$8.75 per resident by fiscal 2019. However, Chapter 489 of 2015 extended the phase-in of the increase in the per capita funding amount to a 10-year phase-in period beginning with a per resident amount of \$6.95 in fiscal 2016. The fiscal 2017 State budget includes funding for SLRC totaling \$10.1 million and for regional resource centers totaling \$6.9 million.

The State also provides assistance to local public libraries through a formula that determines the State and local shares of a minimum per capita library program. Fiscal 2017 State funding for the library aid formula, per the fiscal 2017 State budget, totals \$36.4 million. Of this amount, \$6.1 million supports Baltimore City's EPFL. The State

pays 100% of the retirement costs for local library employees. Of the \$20.7 million in the fiscal 2017 State budget, \$2.4 million is for Baltimore City library retirement costs.

The hours of operation for EPFL's central library and its branches are posted on the EPFL [website](#). Presently the central library is open seven days per week but for considerably less than 12 hours each day. The 22 additional branches of EPFL are all closed on Sundays and most branches are closed one additional day per week. On no day is the central library or any of its branches presently open for operation as early as 9:00 a.m. nor as late as 9:00 p.m. However, on some days, many branches are open as early as 10:00 a.m. and many are open as late as 8:00 p.m.; the central library opens every morning at 10:00 a.m. except for Sundays.

**State Fiscal Effect:** It is not known which or how many branches Baltimore City will choose for increased hours of operation. It is assumed that Baltimore City will increase EPFL hours by an amount that aligns with the maximum State grant of \$3.0 million each year. Therefore, general fund expenditures, to support increased EPFL operating hours, increase by \$3.0 million in fiscal 2018 through 2022. EPFL direct costs increase by \$3.75 million (funded jointly by the State, \$3.0 million, and Baltimore City, \$750,000.)

According to EPFL, the great majority of increased funding will support additional staffing at EPFL branches. An estimated 65 additional Baltimore City staff will be needed for EPFL operations. Increasing the salary base for professional staff at EPFL increases State retirement expenditures by approximately \$250,000 annually in fiscal 2020 through 2024.

**Local Fiscal Effect:** It is assumed that in fiscal 2018 through 2022, Baltimore City will receive \$3.0 million, and thus in each year Baltimore City funds the required 25% match of \$750,000. Therefore, direct expenditures of State and local funds total \$3.75 million annually during fiscal 2018 through 2022. In addition, Baltimore City advises that additional nonprofessional salary beginning in fiscal 2018 results in additional local retirement costs in the following year. Baltimore City retirement costs for nonprofessional staff added under the bill, increase by approximately \$210,000 annually in fiscal 2019 through 2023.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 1171 (Senator Pugh, *et al.*) - Budget and Taxation.

**Information Source(s):** Baltimore City, Enoch Pratt Free Library, Maryland State Department of Education, Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2016  
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