

RA01
Maryland State Department of Education

Capital Budget Summary

State-owned *Capital Improvement Program*
(\$ in Millions)

Projects	<i>Prior Auth.</i>	<i>2015 Request</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>Beyond CIP</i>
State Library Resource Center – Renovation	\$6.000	\$12.095	\$25.850	\$27.350	\$26.850	\$0.000	\$0.000
Eastern Shore	0.000	0.000	0.000	0.000	0.450	7.200	0.000
Total	\$6.930	\$12.095	\$25.850	\$27.350	\$27.300	\$7.200	\$0.000

<i>Fund Source</i>	<i>Prior Auth.</i>	<i>2015 Request</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>	<i>Beyond CIP</i>
GO Bonds	\$6.930	\$12.095	\$25.850	\$24.700	\$24.650	\$3.700	\$0.000
Nonbudgeted Funds	0.000	0.000	0.000	2.650	2.650	3.500	0.000
Total	\$6.930	\$12.095	\$25.850	\$27.350	\$27.300	\$7.200	\$0.000

CIP: *Capital Improvement Program*

Grant and Loan Capital Improvement Program
 (\$ in Millions)

<i>Program</i>	<i>2013 Approp.</i>	<i>2014 Approp.</i>	<i>2015 Request</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>
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Public Library Grant Program	\$5.000	\$2.300	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
Total	\$5.000	\$2.300	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000

<i>Fund Source</i>	<i>2013 Approp.</i>	<i>2014 Approp.</i>	<i>2015 Request</i>	<i>2016 Est.</i>	<i>2017 Est.</i>	<i>2018 Est.</i>	<i>2019 Est.</i>
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GO Bonds	\$5.000	\$2.300	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
Total	\$5.000	\$2.300	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000

Summary of Recommended Bond Actions

1. Public Library Capital Grant Program

Approve the \$5.0 million general obligation bond fund authorization for the Public Library Grant Program.

2. State Library Resource Center

Approve the \$12.1 million general obligation bond fund authorization to begin construction of the State Library Resource Center – Renovation project.

3. SECTION 12 State Department of Education State Library Resource Center

Approve the full amount of \$25.9 million preauthorized for fiscal 2016 for the State Library Resource Center.

4. SECTION 13 State Department of Education State Library Resource Center

Approve the full amount of \$23.2 million preauthorized for fiscal 2017 for the State Library Resource Center.

5. SECTION 14 State Department of Education

Approve the full amount of \$23.2 million preauthorized for fiscal 2018 for the State Library Resource Center.

Budget Overview

Public Library Capital Grant Program

The Public Library Capital Grant Program was established by Chapter 494 of 2006 and first received funding in fiscal 2008. The program provides funds to local libraries and library systems for capital improvements to existing libraries or construction of new facilities.

Section 23-510 of the Education Article mandates \$5 million in annual funding for a capital grant program for public library projects. The Maryland State Department of Education’s (MSDE) Division of Library Development Services (DLDS) is responsible for administering the program. To apply for a grant, local public library systems must develop a countywide library plan to file with DLDS and produce a master plan describing the capital projects approved by the applicant’s governing body. DLDS reviews applications and submits recommendations to MSDE for approval. The list of approved projects is then forwarded to the Department of Budget and Management (DBM) for funding. Grants from the program require a match from any combination of county, municipal, or private sources.

Overall for fiscal 2015, DLDS approved 13 projects in 10 library systems. Projects range from new library construction to roof replacement, and allocations range from \$20,000 to \$1.6 million. Fiscal 2015 proposed projects appear in **Exhibit 1**. The fiscal 2015 Public Library Capital Grant allocation totals \$5.0 million, which meets the program’s mandated funding level of \$5.0 million. The proposed allocation fully funds the projects recommended by MSDE.

Exhibit 1
Public Library Capital Grant Program Project List
Fiscal 2015
(\$ in Thousands)

<u>County</u>	<u>Project Title</u>	<u>Total Cost</u>	<u>Prior Auth</u>	<u>Fiscal 2015 Request</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Allegany	South Cumberland Library Renovation	1,790	90	157	1,350	89
Anne Arundel	New Annapolis Regional Library	30,217		250	2,000	7
Anne Arundel	West County Area Library Renovation	73		36		49

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<u>County</u>	<u>Project Title</u>	<u>Total Cost</u>	<u>Prior Auth</u>	<u>Fiscal 2015 Request</u>	<u>Future Request</u>	<u>Total State Share (%)</u>
Baltimore City	Waverly Branch Library Renovation	6,074	400	1,000		23
Baltimore	Towson Library Roof Replacement	1,018		590		58
Charles	New La Plata Library	13,800		100	800	7
Charles	P.D. Brown Library Renovation Phase II	120	21	20	20	51
Kent	Chestertown Library Renovation	93		46		50
Montgomery	Kensington Park Library Renovation	519		259		50
Montgomery	Twinbrook Library Renovation	257		128		50
Somerset	New Crisfield Library	5,888	3,359	1,555		84
Washington	New Hancock Library	3,267	1,597	200		55
Wicomico	New Eastside Library/ Eastern Shore Regional Library	6,738		659	4,932	83

Source: Department of Budget and Management

State and Local Cost Share Percentage

Chapter 512 of 2013 altered the State share and local matching requirements for the county Public Library Capital Grant Program, based on the per capita wealth measure used in calculating State aid formula grants for county public libraries, which began in fiscal 2014. The State share percentage for an approved county library capital project is calculated by dividing the State aid formula grant amount by the full minimum program amount (*i.e.*, the combined State and local share under the State aid formula grant program) and multiplying the result by 1.25; however, the State share cannot be greater than 90%. The last column in Exhibit 1 illustrates the total State share of

each of the projects under the Public Library Capital Grant Program. The highest State share percentage is 89% in Allegany County.

The revised formula reflects recommendations resulting from a study conducted by MSDE in cooperation with the Maryland Association of Public Library Administrators, at the request of the 2012 *Joint Chairmen's Report*. According to MSDE, Allegany, St. Mary's, and Wicomico counties had each rescinded grant awards under the public library capital grant program due to an inability to certify the required 50% local match before the legislation was enacted last year.

State Library Resource Center

The Enoch Pratt Free Library is a State Library Resource Center. As a State Library Resource Center, the library provides books, information, services, and resources that cannot be provided by individual libraries. Education Article §23-205 specifies that the State is responsible for supporting the State Library Resource Center capital costs. The fiscal 2015 budget includes \$12.1 million in general obligation bond funds to begin construction of the renovation of the Enoch Pratt Free Library.

The Enoch Pratt Free Library, established in 1933, has never been fully renovated. The project will address major mechanical; electrical; structural; and heating, ventilation, and air conditioning (HVAC) issues related to aging infrastructure and an inappropriate configuration of space. The facility does not meet fire code, is not Americans with Disabilities Act (ADA) compliant, and contains asbestos. The building's HVAC system, installed in 1950, has not been updated and is inadequate to control interior climate and humidity, posing a threat to library collections and making the top floor unusable in some seasons. Many windows are original and do not close completely. The library has moved collections into inappropriate spaces to accommodate new technology. For example, a computer lab is now located in a portion of the front lobby, and the multi-media section is located in a former sitting room and office space. Because the library employs more staff than the building was designed for, offices have been added to hallways. Moreover, the building does not have any meeting or conference space for individual study or private meetings. The renovation project will provide updated wiring for modern technology, upgraded lighting, refinish worn interiors, and clean and restore original murals. The renovation will provide adequate office, training, and meeting space; replace mechanical, electrical, plumbing, HVAC, and elevator systems; and address fire code and ADA compliance issues.

A program for the renovation and construction of an addition to the Enoch Pratt Free Library was approved in 1996. The capital budget bills of 1997 and 1998 included language expressing legislative intent that the cost of renovating the existing facility be shared between the State and Baltimore City. While the addition was completed in 2003, the renovation was deferred due to funding constraints. Project costs are currently expected to total \$99.1 million. The State's share is 95%, while Baltimore City's is 5%. Baltimore City will contribute \$5.3 million of the total, with funds anticipated to commence disbursement in fiscal 2017. Design is scheduled to be completed in May 2014. Construction is projected to begin in January 2015 and to be completed in July 2018.

Based on the multi-year construction schedule, the Maryland Consolidated Capital Bond Loan of 2014 included pre-authorizations for the 2015, 2016, and 2017 sessions for the estimated construction funds needed to award the construction contract during fiscal 2015. This will allow the Board of Public Works to approve the construction contract without all of the funds being authorized in fiscal 2015.

Summary of Other Projects in the Capital Improvement Program

The Eastern Shore Regional Library has been added to the CIP to start receiving funds in fiscal 2018. The new facility would house both the Eastern Shore Regional Library and the Wicomico Public Library in one location. It is estimated that the project will receive \$450,000 in fiscal 2018. The total estimated State share of the project is \$6.0 million of the \$7.7 million total cost.

Pre-authorizations and De-authorizations

**Exhibit #
Pre-authorizations**

Pre-authorizations				
Project	FY 16	FY 17	FY 18	Reason
State Library Resource Center Renovation	\$25.9	\$23.2	\$23.2	To allow project to be awarded funds and approved by the Board of Public Works.

Source: Department of Budget and Management, 2014 *Capital Improvement Program*

GO Bond Recommended Actions

1. Approve the \$5.0 million general obligation bond fund authorization for the Public Library Grant Program.
2. Approve the \$12.1 million general obligation bond fund authorization to begin construction of the State Library Resource Center – Renovation project.
3. Approve the full amount of \$25.9 million preauthorized for fiscal 2016 for the State Library Resource Center.
4. Approve the full amount of \$23.2 million preauthorized for fiscal 2017 for the State Library Resource Center.
5. Approve the full amount of \$23.2 million preauthorized for fiscal 2018 for the State Library Resource Center.

Project Data

**Public Library Capital Grants
Fiscal 2008-2014**

County	<u>2008 Auth.</u>	<u>2009 Auth.</u>	<u>2010 Auth.</u>	<u>2011 Auth.</u>	<u>2012 Auth.</u>	<u>2013 Auth.</u>	<u>2014 Auth.</u>	<u>Total Auth.</u>
Allegany	\$63,000	\$0	\$0	\$0	\$0	\$0	\$50,000	\$113,000
Anne Arundel	82,800	112,000	0	0	0	50,000	70,000	314,800
Baltimore City	270,000	744,000	400,000	0	400,000	0	0	1,814,000
Baltimore	135,000	708,000	255,000	610,000	0	442,000	231,000	2,381,000
Calvert	0	0	0	0	0	0	0	0
Caroline	89,550	0	50,000	0	0	0	0	139,550
Carroll	135,000	437,000	307,000	210,000	233,000	47,000	157,000	1,526,000
Cecil	90,000	0	750,000	0	0	0	420,000	1,260,000
Charles	0	0	0	0	800,000	0	20,000	820,000
Dorchester	0	0	0	0	0	0	174,000	174,000
Frederick	144,000	398,000	0	0	0	0	41,000	583,000
Garrett	0	0	0	0	0	0	0	0
Harford	0	0	373,000	0	0	0	0	373,000
Howard	90,000	320,000	800,000	500,000	927,735	2,670,000	125,000	5,432,735
Kent	198,000	191,000	0	0	0	0	0	389,000
Montgomery	220,950	655,000	0	975,000	1,145,330	1,000,000	0	3,996,280
Prince George's	101,700	0	320,000	400,000	0	489,000	0	1,310,700
Queen Anne's	0	0	0	0	0	0	0	0
St. Mary's	0	0	0	0	0	0	0	0
Somerset	22,500	179,000	0	0	103,000	250,000	465,000	1,019,500

County	2008 <u>Auth.</u>	2009 <u>Auth.</u>	2010 <u>Auth.</u>	2011 <u>Auth.</u>	2012 <u>Auth.</u>	2013 <u>Auth.</u>	2014 <u>Auth.</u>	Total <u>Auth.</u>
Talbot	0	0	0	1,240,000	0	0	0	1,240,000
Washington	270,000	184,000	800,000	675,000	890,935	0	1,434,000	4,253,935
Wicomico	45,000	0	20,000	0	0	52,000	0	117,000
Worcester	67,500	0	0	0	0	0	0	67,500
Total	\$2,025,000	\$3,928,000	\$4,075,000	\$4,610,000	\$4,500,000	\$5,000,000	\$3,187,000	\$27,325,000