

RA01
Maryland State Library Agency – Capital

Capital Budget Summary

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

Program	2018 Approp.	2019 Approp.	2020 Request	2021 Est.	2022 Est.	2023 Est.	2024 Est.
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Public Library Grant Program	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
Total	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000

Fund Source	2018 Approp.	2019 Approp.	2020 Request	2021 Est.	2022 Est.	2023 Est.	2024 Est.
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GO Bonds	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
Total	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000

GO: general obligation

Summary of Updates

1. Public Library Grant Program

Approve the \$5,000,000 general obligation bond authorization.

Note: Numbers may not sum to total due to rounding.

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Analysis of the FY 2020 Maryland Executive Budget, 2019

Program Description

The Maryland State Library Agency (MSLA) became an independent State agency in 2017. It supports the development and operation of educational and library programs throughout the State. MSLA also oversees locally owned State and regional library resource centers in Baltimore City and St. Mary's, Washington, and Wicomico counties.

When the library capital grant program was implemented in fiscal 2008, it was managed by the Division of Library Development and Services in the Maryland State Department of Education. Effective July 1, 2017, oversight became the responsibility of MSLA. There are 24 public library systems in Maryland with a total of 191 branches. Many of these branches are in need of replacement, renovation, or alteration.

The State is also responsible for paying the capital expenses for the State Library Resource Center and for three regional library resource centers. Regional libraries provide books; information; and other materials, services, and resources that the individual member libraries cannot adequately provide themselves. This includes the sharing of resources through interlibrary loans, training of library staff, providing collections and exhibits of specialized materials, providing consultant services, and developing a cooperative service program for member libraries.

Public Library Capital Grant Program

The Public Library Capital Grant Program was established by Chapter 494 of 2006 and has been awarding grants since fiscal 2008. The program provides funds to local libraries and library systems for capital improvements to existing libraries or construction of new facilities.

Section 23-509 (e)(5) of the Education Article mandates \$5 million in annual funding for a capital grant program for county library capital projects. To apply for a grant, local public library systems must develop a countywide library plan and produce a master plan describing the capital projects approved by the applicant's governing body. MSLA reviews applications and submits recommendations to the State Library Board for approval. The list of approved projects is then forwarded to the Department of Budget and Management (DBM) for review and inclusion in the budget. Grants from the program require a match from any combination of county, municipal, or private sources. State grants may not be less than \$20,000. Library systems may request funding up to a maximum percentage of a project's cost. This maximum percentage is calculated for local library systems by the wealth-based cost-sharing formula enacted by the General Assembly in 2014 and ranges from 50% to 90% based on that jurisdiction's wealth.

The statute outlines the criteria to be used to make funding recommendations in all previous and future review cycles:

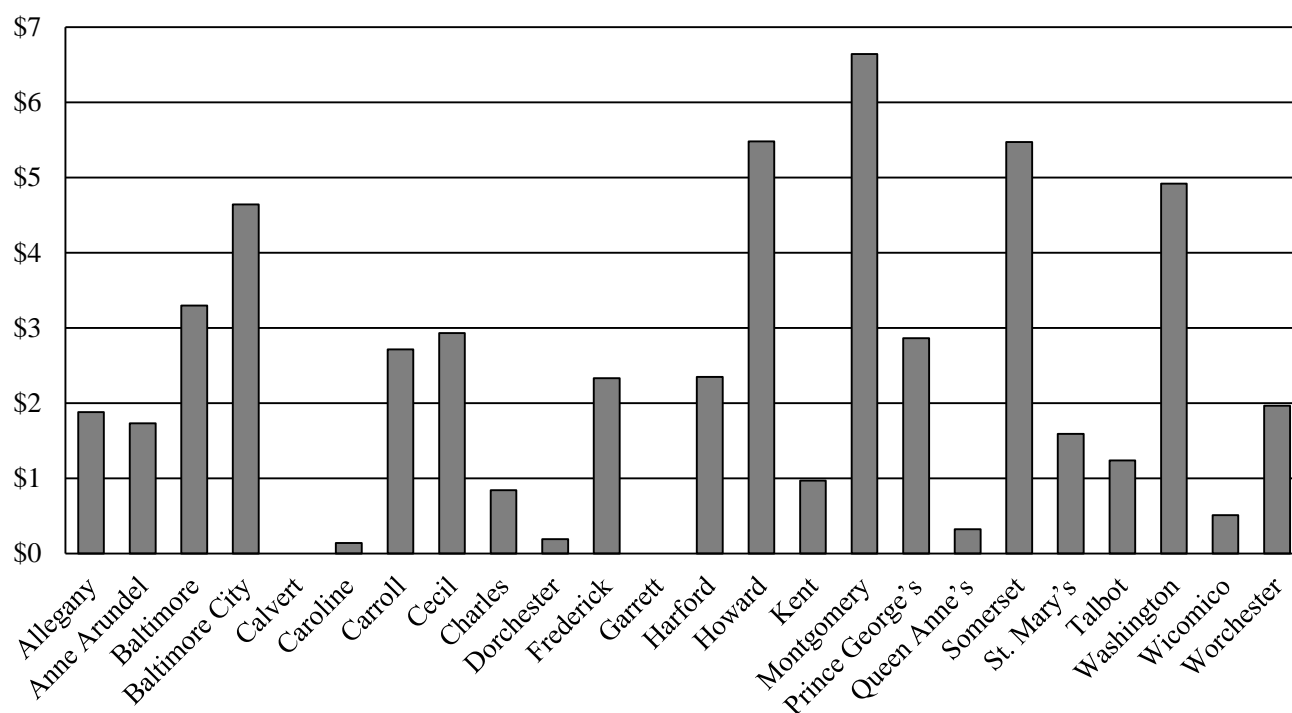
- the public necessity and urgency of a project;

RA01 – Maryland State Library Agency – Capital

- the need for additional sources of funding for a project;
- the estimated cost and timeliness of executing a project;
- the viability of matching funds for a project; and
- geographic diversity.

The total allocation for the program since the inaugural 2008 authorization is shown in **Exhibit 1**. Montgomery County has received the largest share of the total allocations (\$6.6 million), followed by Howard and Somerset counties (\$5.5 million), and Washington County (\$4.9 million). **Appendix 1** shows the annual appropriations by county and year.

Exhibit 1
Total Library Grant Allocation
Fiscal 2008-2019
(\$ in Millions)



Source: Maryland State Library Agency

RA01 – Maryland State Library Agency – Capital

Over the last 12 years that the Public Library Capital Grant Program has existed, the number of projects and jurisdictions receiving allocations has fluctuated. Between the fiscal 2008 and 2012 authorizations, the number of jurisdictions receiving library grant funding declined from 16 to 6, and the total number of projects receiving funding decreased from 20 to 9 projects. However, total State funding for the program more than doubled. The decrease in projects were reflective of the fiscal constraints experienced by both the State and local governments during that time period. Since the fiscal 2011 authorization, there has been a slight increase in both the number of projects and jurisdictions receiving allocations. Some years have had allocations of more than the annually authorized \$5 million due to funds from previous years that were rescinded and recycled to support other projects.

While most awards fund smaller but critical renovation projects, such as new roofs and replacement windows, 14 new libraries have opened across the State with assistance from the program including Ocean City and Berlin (Worcester); Perryville (Cecil); Boonsboro, Hagerstown, and Hancock (Washington); Brunswick and Walkersville (Frederick); Perry Hall (Baltimore County); Miller (Howard); Waldorf West (Charles); Silver Spring (Montgomery); Havre de Grace (Harford); and Crisfield (Somerset). Construction of 5 additional new libraries is underway in fiscal 2019: Annapolis (Anne Arundel), Leonardtown (St. Mary's), Northeast (Cecil), Myersville (Frederick), and Wheaton (Montgomery).

The fiscal 2020 Public Library Capital Grant allocation totals \$5.0 million. In total, nine projects are recommended in distinct jurisdictions, ranging in amounts from \$120,000 to \$1.1 million. The fiscal 2020 proposed projects are shown in **Exhibit 2**. Though projects are eligible for a State match of 50% to 90% of the total project cost as determined by the cost-sharing formula, the State funding share of the total project cost is often lower. Given the limited resources available for the program, library systems often limit the size of the request to improve the odds of receiving funding. The review committee often does not recommend fully funding a project request to ensure geographic diversity in the allocation of funds.

Exhibit 2
Public Library Capital Grant Program Project List
Fiscal 2020
(\$ in Thousands)

<u>County</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>2020 Amount</u>	<u>Future Request</u>	<u>Total State Share</u>
Allegany	LaVale Library Renovation and Expansion – renovate and expand the 8,720 SF library to a 24,000 GSF facility	\$5,200	\$0	\$360	\$4,320	90.0%
Anne Arundel	New Riviera Beach Library – construct a new 20,000 GSF facility on the existing site of the Riviera Beach Library	10,899	1,312	200	1,000	11.0%
Baltimore	Catonsville Library Renovation – renovation will make the library comply with ADA standards; improve space functionality and efficiency; and modernize plumbing, electrical, and mechanical elements	5,000	0	1,100	1,900	60.0%
Calvert	New Twin Beaches Library – construct a new facility between 14,000 GSF and 16,000 GSF to replace the existing Calvert Library Twin Beaches Branch	7,777	0	300	2,550	36.7%
Carroll	Westminster Library Renovation – renovate the 14,000 GSF unfinished basement to become a community meeting and technology learning space	4,048	1,187	800	0	49.1%
Cecil	New North East Library – construct a new 36,000 NASF or 45,000 GSF facility to provide library services to a rapidly growing service area	20,897	2,424	1,000	1,980	25.9%
Harford	Abingdon Library HVAC Replacement – replace the existing rooftop HVAC units	230	0	120	0	52.2%

RA01 – Maryland State Library Agency – Capital

<u>County</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>2020 Amount</u>	<u>Future Request</u>	<u>Total State Share</u>
Queen Anne's	Kent Island Library Renovation and Expansion – expand and renovate the existing 10,000 GSF library to 18,930 NASF or 21,550 GSF to meet the needs of the growing area population	7,822	325	1,000	500	23.3%
Worcester	Pokomoke Library Renovation and Expansion – renovate and expand library to make it ADA compliant and better provide services	2,750	0	120	1,250	49.8%
Total		\$64,623	\$5,248	\$5,000	\$13,500	

ADA: Americans with Disabilities Act

GSF: gross square feet

HVAC: heating, ventilation, and air conditioning

NASF: net assignable square feet

SF: square feet

Source: Department of Budget and Management

Among the proposed projects, the new North East Library project in Cecil County is recommended for a State award of \$1,000,000 during fiscal 2020 after having received \$2,424,000 in prior appropriations from the State for land acquisition, planning, and construction, bringing the total amount awarded to the project to \$3,424,000. While the agency has advised that the proposed fiscal 2020 grant is the State's final contribution to the project, the county is eligible to request additional funding, and the supporting material from DBM, as illustrated in Exhibit 2, suggests that future State support may still be under consideration in the estimated amount of \$1.98 million. The library has scheduled a groundbreaking ceremony for May 11, 2019, with construction to be completed in December 2020.

The agency's rationale for the prior and current awards emphasizes the high level of need for the project, which replaces an existing 2,800 square foot (sq. ft.) facility with a new 45,000 sq. ft. building. The funding application documented people standing in line outside the current library waiting for other customers to exit so that they could enter. The first allocation for the North East Library was made in fiscal 2010 for site acquisition, indicating that this project has been needed for nearly a decade.

Although the requests for site acquisition (\$562,500) and planning (\$861,000) were fully funded, funding requests for construction were greatly reduced. For instance, the project received \$1,000,000 for construction in fiscal 2019 yet the county requested \$3,749,000. And, the county's

RA01 – Maryland State Library Agency – Capital

request of \$5,000,000 to complete construction during fiscal 2020 was reduced to \$1,000,000. Although the county was eligible to receive the amounts requested under the wealth-based cost-sharing formula, had 66% (State share for Cecil County) of the total project cost (\$17,572,000), or \$11,598,000, been awarded, it would have been an unprecedented amount for a single project for the program and is particularly significant considering that the program only receives \$5.0 million annually to be used statewide.

Similarly, Calvert County is recommended for an award of \$300,000 during fiscal 2020 to design a new Twin Beaches Library with projected requests for future allocations totaling \$2,550,000 (primarily in fiscal 2021, although the schedule is subject to change following completion of design). It should be noted that the State share for Calvert County is 50%, and the estimated total project cost is \$7,929,000. Therefore, total requests are expected to be far less than the \$3,965,000 that the county is eligible to receive under the wealth-based funding formula. Additionally, the facility will be constructed on a site donated by the town, indicating strong local support by both the county and town. The agency is especially interested in funding this project in order to meet the General Assembly's goal of geographic diversity in the distribution of program funds. This is the first request received by MSLA for any library project in Calvert County since the inception of this program.

The existing Twin Beaches Library has been located in temporary leased space on the second floor of a commercial building for 26 years. The current 4,620 sq. ft. is woefully inadequate and will be expanded to 14,000 sq. ft. to 16,000 sq. ft. The project will also resolve a number of Americans with Disabilities Act compliance issues.

Finally, Allegany County is recommended for a \$360,000 award during fiscal 2020 to design the renovation and expansion (from 8,720 sq. ft. to 24,000 sq. ft.) of the LaVale Library. The existing facility was constructed in 1975. With the exception of a roof replacement completed 15 years ago, the facility's entire infrastructure is more than 40 years old. When finished, the project will nearly triple the size of the current building and result in a fully updated 24,000 sq. ft. facility that becomes the new hub of the Allegany County Library System. Since the estimated total project cost is \$5,200,000 and the State share for Allegany County is 90%, the county expects to request an additional \$4,320,000 over fiscal 2021 and 2022 to complete construction. This expected request would grant the maximum amount of State funding for the project. **MSLA should update the committees on steps that are being taken to ensure that future requests for this project do not crowd out other projects from receiving State funds.**

Exhibit 2 suggests that the State is in line to receive future requests in the amount of \$13.5 million for just the projects that are currently proposed for fiscal 2020. This is over two and one-half times the amount of the annual \$5.0 million mandated funding level for the program, which will complicate adding new projects to the funding list in the next two years and will necessitate spreading out any future State commitment over a two- to three- year period to accommodate this level of future requests. While most of the future request amounts can be spread over fiscal 2021 and 2022, this still leaves the program over subscribed.

GO Bond Recommended Actions

1. Approve \$5,000,000 in general obligation bond authorization for the Public Library Grant Program.

Appendix 1
Public Library Capital Grant Authorizations
Fiscal 2008-2019
(\$ in Thousands)

<u>County</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
Allegany	\$63.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$90.0	\$157.0	\$800.0	\$771.3	\$0.0	\$0.0	\$1,881.3
Anne Arundel	82.8	94.5	0.0	0.0	0.0	50.0	70.0	286.0	30.0	117.0	1,000.0	0.0	1,730.3
Baltimore	135.0	708.0	255.0	610.0	0.0	370.2	0.0	0.0	170.0	0.0	0.0	1,050.0	3,298.2
Baltimore City	270.0	744.0	400.0	0.0	400.0	0.0	0.0	1,826.1	0.0	0.0	1,000.0	0.0	4,640.1
Calvert	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Caroline	89.6	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	139.6
Carroll	135.0	437.0	307.0	210.0	233.0	47.0	157.0	0.0	0.0	0.0	187.0	1,000.0	2,713.0
Cecil	90.0	0.0	562.5	0.0	0.0	0.0	420.0	0.0	0.0	0.0	861.0	1,000.0	2,933.5
Charles	0.0	0.0	0.0	0.0	800.0	0.0	21.0	20.0	0.0	0.0	0.0	0.0	841.0
Dorchester	0.0	0.0	0.0	0.0	0.0	0.0	191.1	0.0	0.0	0.0	0.0	0.0	191.1
Frederick	144.0	398.0	0.0	0.0	0.0	0.0	41.0	0.0	0.0	1,000.0	0.0	750.0	2,333.0
Garrett	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Harford	0.0	0.0	373.0	0.0	0.0	0.0	0.0	0.0	1,187.5	194.0	81.6	512.4	2,348.5
Howard	90.0	320.0	800.0	500.0	927.7	2,670.0	125.0	46.0	0.0	0.0	0.0	0.0	5,478.7
Kent	198.0	191.0	0.0	0.0	0.0	0.0	0.0	387.0	0.0	145.0	47.0	0.0	968.0
Montgomery	221.0	655.0	0.0	975.0	1,145.3	1,000.0	0.0	0.0	743.7	1,500.0	200.0	200.0	6,640.0
Prince George's	101.7	0.0	320.0	400.0	0.0	489.0	0.0	0.0	1,553.5	0.0	0.0	0.0	2,864.2
Queen Anne's	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	325.0	0.0	325.0
Somerset	22.5	179.0	0.0	0.0	0.0	250.0	3,000.0	2,021.4	0.0	0.0	0.0	0.0	5,472.9
St. Mary's	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,091.0	500.0	1,591.0
Talbot	0.0	0.0	0.0	1,240.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,240.0
Washington	270.0	184.0	800.0	675.0	890.9	0.0	1,597.3	200.0	0.0	300.0	0.0	0.0	4,917.2
Wicomico	45.0	0.0	20.0	0.0	0.0	43.9	0.0	0.0	0.0	256.7	145.0	0.0	510.6
Worcester	67.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,082.9	704.0	113.3	0.0	1,967.7
Total	\$2,025.0	\$3,910.5	\$3,887.5	\$4,610.0	\$4,397.0	\$4,920.1	\$5,712.4	\$4,943.5	\$5,567.7	\$4,988.0	\$5,050.9	\$5,012.4	\$55,025.0

RA01 – Maryland State Library Agency – Capital

Note: Total authorizations more than the annually allocated \$5 million are due to recycling rescinded funds.