

R11A
Maryland State Library Agency

Executive Summary

The Maryland State Library Agency (MSLA) is an independent agency that provides strategic leadership, resources, and programmatic support to Maryland libraries. Responsibilities include oversight of the Maryland State Library for the Blind and Physically Handicapped (LBPH), Maryland's Public Libraries, the State Library Network, the Library Capital Grants Programs, and the Deaf Culture Digital Library.

Operating Budget Data

(\$ in Thousands)

	<u>FY 18</u> <u>Actual</u>	<u>FY 19</u> <u>Working</u>	<u>FY 20</u> <u>Allowance</u>	<u>FY 19-20</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$81,791	\$84,201	\$87,358	\$3,157	3.7%
Adjustments	0	14	57	42	
Adjusted General Fund	\$81,791	\$84,215	\$87,415	\$3,199	3.8%
 Federal Fund	 2,943	 3,370	 3,412	 42	 1.3%
Adjustments	0	3	16	13	
Adjusted Federal Fund	\$2,943	\$3,374	\$3,429	\$55	1.6%
 Adjusted Grand Total	 \$84,734	 \$87,589	 \$90,843	 \$3,255	 3.7%

Note: The fiscal 2019 appropriation includes deficiencies, a one-time \$500 bonus, and general salary increases. The fiscal 2020 allowance includes general salary increases.

- MSLA's budget increases by \$3.3 million, or 3.7%, driven by changes in the per capita amounts required by library aid formulas.

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

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Personnel Data

	<u>FY 18 Actual</u>	<u>FY 19 Working</u>	<u>FY 20 Allowance</u>	<u>FY 19-20 Change</u>
Regular Positions	28.00	28.00	30.00	2.00
Contractual FTEs	<u>2.00</u>	<u>2.00</u>	<u>1.00</u>	<u>-1.00</u>
Total Personnel	30.00	30.00	31.00	1.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.84	6.56%
Positions and Percentage Vacant as of 12/31/18	1.00	3.57%

- In fiscal 2019, MSLA assumed sole responsibility for all fiscal services and human resources for LBPH, the State Library Network, the Library Capital Grants Programs, and the Deaf Culture Digital Library. As a result of these additional responsibilities, the fiscal 2020 allowance's regular positions total increased by 2. One fiscal services officer and 1 management associate were added to handle the additional responsibilities.
- The contractual reduction from the fiscal 2019 working to the 2020 allowance was a contractual conversion of an existing management associate position. As a result of the conversion, 1 contractual position was eliminated.

Key Observations

- LBPH increased outreach programs and attracted higher attendance.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

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Maryland State Library Agency

Operating Budget Analysis

Chapters 337 and 338 of 2017 established the new Maryland State Library Agency (MSLA). The mission of MSLA is to provide leadership and consultation in technology, training, marketing, funding, resource sharing, research, and planning so that Maryland libraries can fulfill their missions now and in the future for the people of Maryland. Its goal is to anticipate and meet the educational and informational needs of its community. MSLA supports three local aid programs as well as one headquarters program.

State Library Agency Administration

This program fulfills duties that were formerly the responsibility of the Division of Library Development and Services (DLDS) in the Maryland State Department of Education Headquarters and new duties of providing professional and technical advice to higher education and special library officials. Functions transferred from DLDS include the administration of State and federal programs to improve library services; operation of the Maryland State Library for the Blind and Physically Handicapped (LBPH); approval of State Library and Regional Resource Center planning; coordination of the State's online electronic information network providing free Internet access; and oversight of the State Library Network Program, which enables access to materials and services beyond local libraries. It also runs the AskUsNow! Live interactive service through which residents can interact with librarians for guidance in a live chat and email format.

Public Library Aid

This mandated formula grant promotes the development of public library services and interlibrary cooperation and assists in providing specialized State library services to physically disabled persons and residents and staff of State institutions. This program also incorporates the bulk of federal aid that is disbursed directly to counties from the Institute of Museum and Library Services under the Library Service and Technology Act.

This program also includes funding for LBPH, a statewide library program serving blind, visually impaired, physically disabled, and reading disabled Maryland residents. LBPH is located in Baltimore City and is a component of the National Library Service for the Blind and Physically Handicapped at the Library of Congress. The library is the primary source of books, periodicals, and other information in formats such as Braille, large print, and recorded books.

State Library Network

The Maryland State Library Network Program ensures that library resources are accessible to all Maryland residents, improving the capacity of each library to meet the needs of its clientele, and efficiently use existing collections. The State Library Network implements a program to electronically connect libraries and other resources within the State and provide connections to the Internet. The network includes the Enoch Pratt Central Library in Baltimore, designated as the State Library Resource Center (SLRC), as well as three regional resource centers. These three centers serve the Eastern Shore, Southern Maryland, and Western Maryland

Aid for Local Library Employee Fringe Benefits

This program contributes to retirement benefits for librarians in the Teachers' Retirement and Pension Systems maintained by the State. The program separately supports Montgomery County Public Library employee's retirement costs and State Retirement Agency administrative fee costs for library employees.

Performance Analysis: Managing for Results

1. Digital Offerings

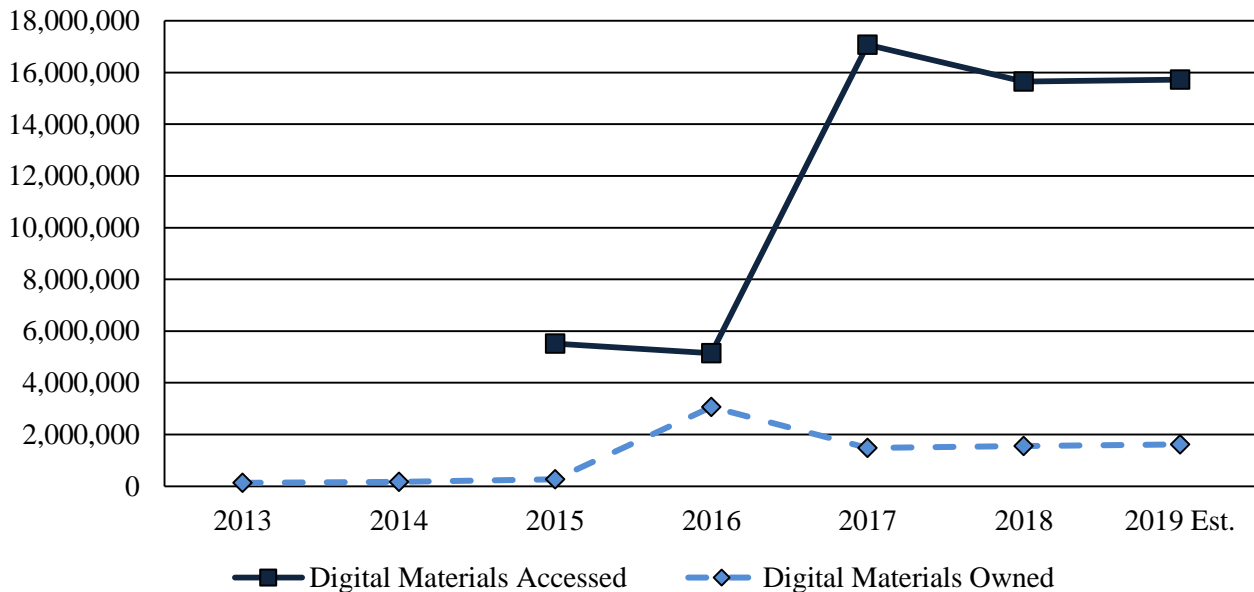
The Maryland State Library's Objective 1.1 states that Maryland Public Libraries will provide equitable access to educational, social, and information services through electronic and print resources. Performance indicators of this objective include:

- digital materials owned; and
- digital materials accessed.

The number of digital materials owned and the number of digital materials accessed have both grown significantly since 2015. Following the fiscal 2016 jump in materials owned, the fiscal 2017 decrease results from a change in data collection that puts the agency in line with the national Public Library Survey. This number reflects actual titles rather than using a prorated formula, as done in 2016.

The number of digital materials accessed increased from around 5.5 million since first recorded in 2015, to over 15.6 million in fiscal 2018. The conservative 2019 estimates for the number of digital materials accessed responds to changes in federal guidelines for reporting digital materials access. Specifically, the definition now limits items to be included to only those that have a defined lending period. Materials that customers can "own" (such as some e-magazines and e-audio) or "stream" (such as some e-books and e-video) are no longer counted in this category. Digital material access is expected to remain steady, as national trends indicate the dramatic growth in e-material use is leveling off as shown in **Exhibit 1**.

Exhibit 1
Digital Offerings
Fiscal 2013-2019 Est.



Source: Managing for Results, Maryland State Library Agency

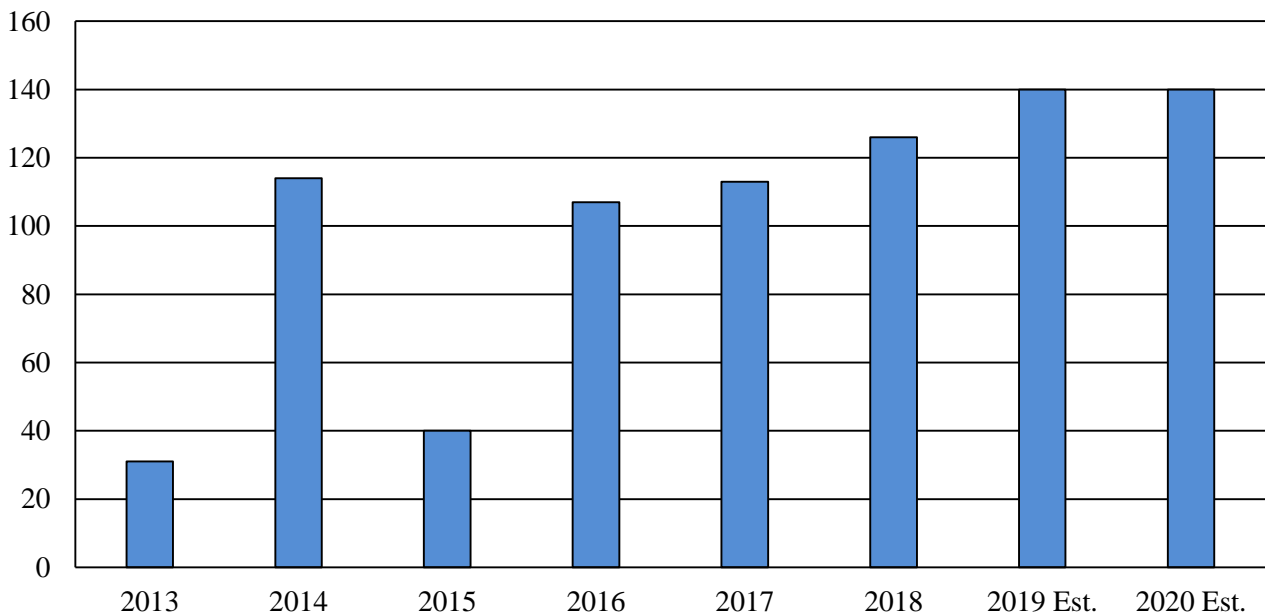
2. Library for the Blind and Physically Handicapped

Objective 1.2 states that LBPH will coordinate statewide library services for all blind, visually impaired, physically disabled, and reading disabled Maryland residents, and for institutions serving these individuals. MSLA prioritizes outreach efforts to better serve this population. Fiscal 2018 performance reflects results of these efforts, particularly with regard to the attendance at outreach programs. Performance indicators on this objective include:

- number of LBPH outreached programs presented;
- number of LBPH materials checked out; and
- individuals attending LBPH programs.

Exhibit 2 provides the increase in the number of outreach programs that LBPH has presented from fiscal 2013 through 2020 estimates. The overall number of programs provided has increased substantially from 31 in fiscal 2013 to 126 in fiscal 2018, a 306.5% increase. The recent increase in the number of programs offered correlates with increased funding in fiscal 2016 and the filling of several important positions with LBPH, including an outreach librarian.

Exhibit 2
Outreach Programs Presented by LBPH
Fiscal 2013-2020 Est.

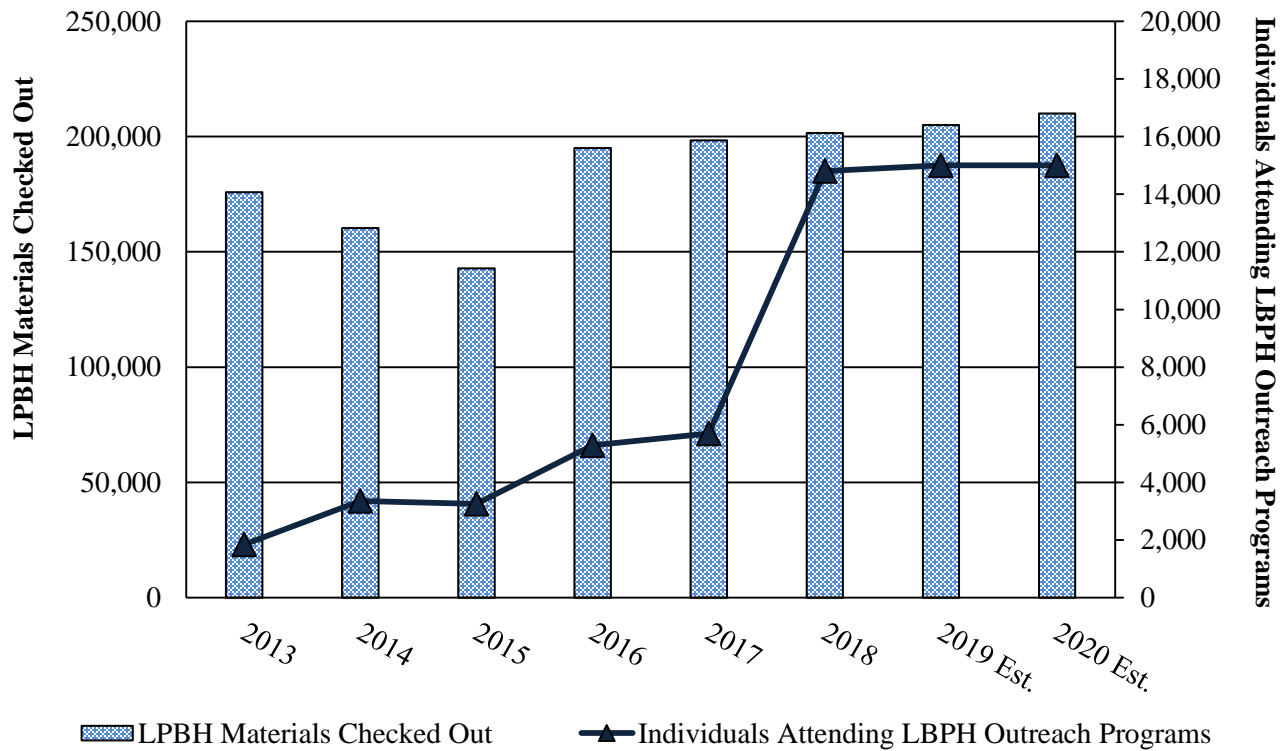


LBPH: Library for the Blind and Physically Handicapped

Source: Managing for Results, Maryland State Library Agency

With the increased number of outreach programs offered by LBPH, there has been a corresponding increase in the number of individuals attending a LBPH outreach program. As shown in **Exhibit 3**, the number of individuals attending LBPH outreach programs increased by 703% from fiscal 2013 to 2018, going from 1,845 to 14,808.

Exhibit 3
Attendance at LBPH Outreach Programs and LBPH Materials Checked Out
Fiscal 2013-2020 Est.



LBPH: State Library for the Blind and Physically Handicapped

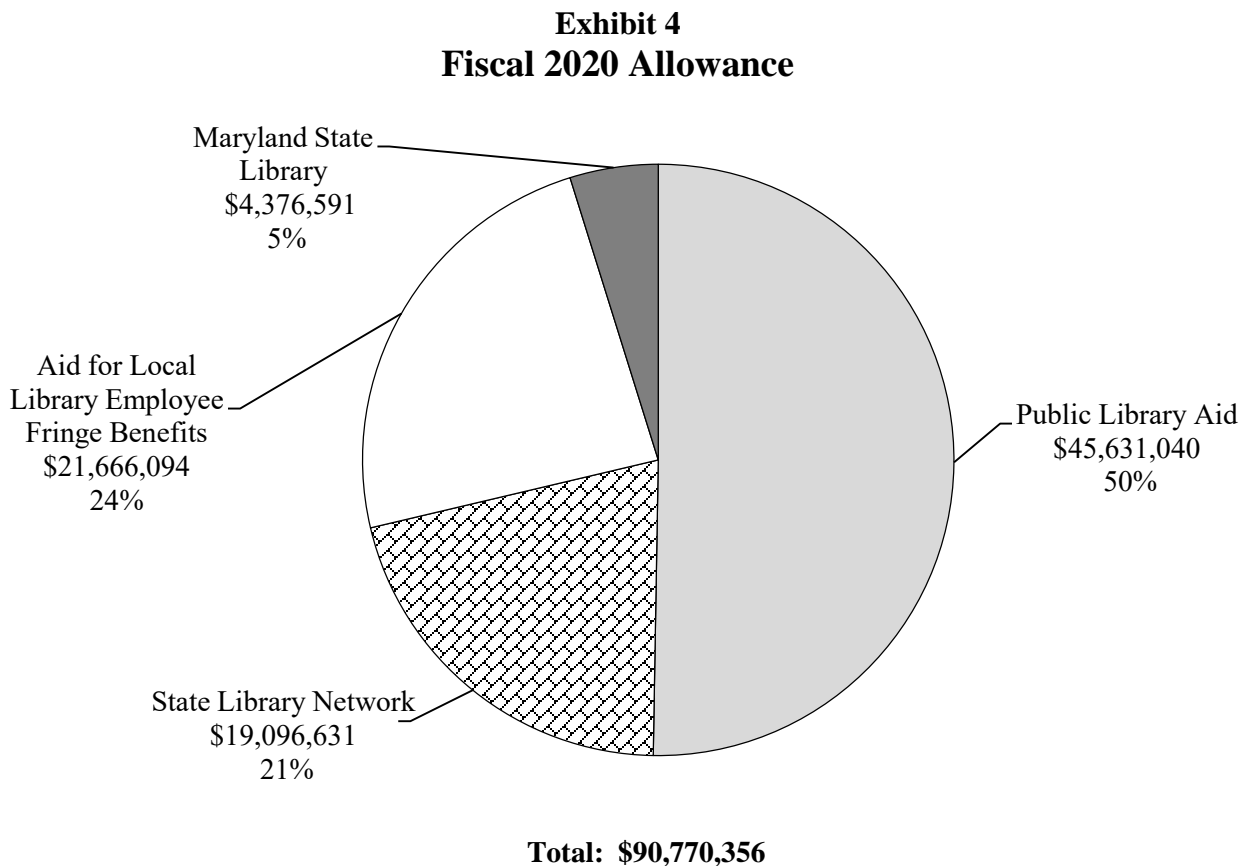
Source: Managing for Results, Maryland State Library Agency

Using data collected by the National Library Service as they finalized their three-year marketing strategy and provided the information to every state, LBPH has begun targeting outreach opportunities that are focused on the health care providers, caregivers, and families of the citizens with print disabilities. This year, LBPH was actively engaged as a vendor at the Charlestown Health Expo, the Gaithersburg Active Aging Expo, the Foundation for Fighting Blindness Vision Walks, the Leisure World Health Expo, the Baltimore National College Fair, and others. The LBPH team is collecting statistics on applications, anecdotal records, and surges in receipt of applications following these events. LBPH will be tracking its return on investment in its participation in these events. LBPH has also increased its social media presence in the hopes of reaching those health care providers, caregivers, family members, and potential patrons. LBPH was not expecting an immediate increase in new patrons, as it takes one to two years for a new marketing plan to show results. While attendance at outreach activities is higher, not all of those people are eligible for services themselves.

Despite the tremendous numeric increase in individuals attending LBPH outreach programs, the number of LBPH materials checked out during this time has remained relatively stable, increasing by only 1.6% from fiscal 2017 to 2018. While LBPH patrons are avid readers, MSLA attributes the stable growth despite the large increase in LBPH outreach program to their readers being cautious of the number of items that they check out.

Fiscal 2020 Allowance

As shown in **Exhibit 4**, the fiscal 2020 allowance is primarily comprised of mandated formula aid programs provided by the State. Public library aid represents 50.3% of the total 2020 allowance with State aid representing \$43.2 million of that funding, or 47.6%, and federal funding representing \$2.4 million, or 2.7%. The State Library Network will receive \$19.1 million in State funds, representing 21% of total funding. Aid for local library employee fringe benefits accounts for \$21.7 million, or 23.9% of total funding. The Maryland State Library funding accounts for 4.8% of the total fiscal 2020 allowance.



Source: Governor's Fiscal 2020 Budget Books

Proposed Budget Change

As shown in **Exhibit 5**, the projected \$3.3 million increase in the total budget is composed of increases in personnel expenditures, library formula grants, and retirement benefit expenditures offset by other reductions. There are 2 new positions provided to the agency in the 2020 allowance to handle the fiscal and human resources responsibilities of LBPH, Maryland's Public Libraries, the State Library Network, the Library Capital Grants Programs, and the Deaf Culture Digital Library for which MSLA is now responsible. These positions account for \$108,000 in personnel expenses.

Grant expenditures under the three aid programs increase by about \$3.0 million in total for fiscal 2020. Under a legislatively mandated formula, spending for the Public Library Aid Program increases by \$1.3 million based on a per capita increase from \$15.50 in fiscal 2019, to \$16.00 in fiscal 2020. Spending under the State Library Network Program increases by \$0.7 million, based on a per capita increase from \$1.77 in fiscal 2019, to \$1.81 in fiscal 2020 for SLRC, as well as an increase in the per capita grant from \$7.95 in fiscal 2019 to \$8.35 in fiscal 2020 for the three regional resource centers. Finally, spending under the State Library Retirement Aid Program increases by \$1.0 million based on demographic and salary changes for employees.

The remaining changes to the budget include a decrease of \$132,000 in software acquisitions. The acquisition of the Keystone Library Automated System and systems analysis, a software program that assists in maintaining a profile of interests for each reader, actively matches materials to readers, and allows users to submit information to the collection, was completed in fiscal 2019. There is a \$132,000 reduction of the fiscal 2020 Librarian State Retirement Agency administrative fees that the Maryland State Library pays annually to the Maryland State Retirement Pension System. The costs associated with the Maryland State Library relocating to their new headquarters was offset by reductions in garage rent and other operational costs. Other increases totaled \$152,000.

Exhibit 5
Proposed Budget
Maryland State Library Agency

How Much It Grows:	General Fund	Federal Fund	Total
Fiscal 2018 Actual	\$81,791	\$2,943	\$84,734
Fiscal 2019 Working Appropriation	84,215	3,374	87,589
Fiscal 2020 Allowance	<u>87,415</u>	<u>3,429</u>	<u>90,843</u>
Fiscal 2019-2020 Amount Change	\$3,199	\$55	\$3,255
Fiscal 2019-2020 Percent Change	3.8%	1.6%	3.7%

Where It Goes:

Personnel Expenses

Regular salaries including annualization of fiscal 2019 2% general salary increase	\$166
2 new regular positions for fiscal services and human resources.....	108
General salary increase (3%) effective July 1, 2019, and annualization of fiscal 2019 0.5% general salary increase	70
Retirement contributions	48
Social Security contributions	12
Turnover expectancy	3
Workers' compensation.....	-8
Health insurance expenditures	-14
Fiscal 2019 one-time \$500 bonus.....	-15

Library Aid

Public Library Aid.....	1,278
Library retirement	1,021
State Library Network.....	717

Other Changes

Costs associated with new headquarters	-19
State Retirement Agency administrative fee.....	-132
Keystone library software and systems	-132
Other.....	152

Total	\$3,255
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Note: Numbers may not sum to total due to rounding.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Current and Prior Year Budgets
Maryland State Library Agency
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
Fiscal 2018				
Legislative Appropriation	\$81,791	\$0	\$2,943	\$84,734
Deficiency/Withdrawn Appropriation	0	0	0	0
Cost Containment	0	0	0	0
Budget Amendments	0	0	0	0
Reversions and Cancellations	0	0	0	0
Actual				
Expenditures	\$81,791	\$0	\$2,943	\$84,734
Fiscal 2019				
Legislative Appropriation	\$84,187	\$0	\$3,366	\$87,553
Budget Amendments	14	0	4	18
Working				
Appropriation	\$84,201	\$0	\$3,370	\$87,571

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. Numbers may not sum to total due to rounding.

Fiscal 2018

Fiscal 2018 represented the first year that the Maryland State Library Agency (MSLA) was an independent State agency, having previously been funded within the Maryland State Department of Education. The four components that comprise the funding for the Maryland State Library Agency include the Maryland State Library (\$3.1 million in State funding, \$1.5 million in federal funding), public library aid (\$40.7 million in State funding, \$1.4 million in federal funding), the State Library Network (\$17.7 million in State funding), and aid for local library employee fringe benefits (\$20.3 million in State funding). In fiscal 2018, funding from the State totaled \$81.8 million, while federal funding totaled \$2.9 million.

Fiscal 2019

To date in fiscal 2019, MSLA's general fund appropriation increased \$13,719 due to a general salary increase that was centrally budgeted. Federal funds also increased by \$4,232 that was also related to a general salary increase that was centrally budgeted.

Appendix 2
Object/Fund Difference Report
Maryland State Library Agency

<u>Object/Fund</u>	<u>FY 18 Actual</u>	<u>FY 19 Working Appropriation</u>	<u>FY 20 Allowance</u>	<u>FY 19 - FY 20 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	28.00	28.00	30.00	2.00	7.1%
02 Contractual	2.00	2.00	1.00	-1.00	-50.0%
Total Positions	30.00	30.00	31.00	1.00	3.3%
Objects					
01 Salaries and Wages	\$ 2,037,516	\$ 2,222,254	\$ 2,537,991	\$ 315,737	14.2%
02 Technical and Spec. Fees	182,359	183,838	148,370	-35,468	-19.3%
03 Communication	23,414	28,923	9,269	-19,654	-68.0%
04 Travel	36,283	140,717	73,717	-67,000	-47.6%
06 Fuel and Utilities	119,659	167,000	167,000	0	0%
07 Motor Vehicles	5,370	45,540	16,000	-29,540	-64.9%
08 Contractual Services	812,309	766,776	677,779	-88,997	-11.6%
09 Supplies and Materials	2,686	145,392	159,600	14,208	9.8%
10 Equipment – Replacement	0	93,300	93,300	0	0%
11 Equipment – Additional	185	30,000	30,000	0	0%
12 Grants, Subsidies, and Contributions	81,164,354	83,682,381	86,702,497	3,020,116	3.6%
13 Fixed Charges	38,639	64,980	154,833	89,853	138.3%
14 Land and Structures	310,868	0	0	0	0.0%
Total Objects	\$ 84,733,642	\$ 87,571,101	\$ 90,770,356	\$ 3,199,255	3.7%
Funds					
01 General Fund	\$ 81,790,913	\$ 84,200,762	\$ 87,357,879	\$ 3,157,117	3.7%
05 Federal Fund	2,942,729	3,370,339	3,412,477	42,138	1.3%
Total Funds	\$ 84,733,642	\$ 87,571,101	\$ 90,770,356	\$ 3,199,255	3.7%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.

**Appendix 3
Fiscal Summary
Maryland State Library Agency**

<u>Program/Unit</u>	<u>FY 18 Actual</u>	<u>FY 19 Wrk Approp</u>	<u>FY 20 Allowance</u>	<u>Change</u>	<u>FY 19 - FY 20 % Change</u>
01 Maryland State Library	\$ 4,590,492	\$ 4,192,775	\$ 4,376,591	\$ 183,816	4.4%
02 Public Library Aid	42,119,826	44,352,865	45,631,040	1,278,175	2.9%
03 State Library Network	17,707,257	18,380,048	19,096,631	716,583	3.9%
04 Aid for Local Library Employee Fringe Benefits	20,316,067	20,645,413	21,666,094	1,020,681	4.9%
Total Expenditures	\$ 84,733,642	\$ 87,571,101	\$ 90,770,356	\$ 3,199,255	3.7%
General Fund	\$ 81,790,913	\$ 84,200,762	\$ 87,357,879	\$ 3,157,117	3.7%
Federal Fund	2,942,729	3,370,339	3,412,477	42,138	1.3%
Total Appropriations	\$ 84,733,642	\$ 87,571,101	\$ 90,770,356	\$ 3,199,255	3.7%

Note: The fiscal 2019 appropriation does not include deficiencies, a one-time \$500 bonus, or general salary increases. The fiscal 2020 allowance does not include general salary increases.