

RA01
Maryland State Library Agency

Capital Budget Summary

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

Projects	Prior Auth.	2019 Request	2020 Est.	2021 Est.	2022 Est.	2023 Est.	Beyond CIP
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State Library Resource Center – Renovation	\$99.613	\$4.831	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$99.613	\$4.831	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Fund Source	Prior Auth.	2019 Request	2020 Est.	2021 Est.	2022 Est.	2023 Est.	Beyond CIP
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GO Bonds	\$94.313	\$4.831	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Nonbudgeted Funds	5.300	0.000	0.000	0.000	0.000	0.000	0.000
Total	\$99.613	\$4.831	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

CIP: *Capital Improvement Program*
GO: general obligation

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

Program	2017 Approp.	2018 Approp.	2019 Request	2020 Est.	2021 Est.	2022 Est.	2023 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	2017 Approp.	2018 Approp.	2019 Request	2020 Est.	2021 Est.	2022 Est.	2023 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 Recommended Bond Actions

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

2. State Library Resource Center
Approve the \$4,831,000 general obligation bond authorization.

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 in St. Mary's, Washington, and Wicomico counties. Prior to 2017, the agency's responsibilities were managed by the Maryland State Department of Education (MSDE).

When the library capital grant program was implemented in fiscal 2008, it was managed by the Division of Library Development and Services in MSDE. 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 loan, 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 reaches the tenth anniversary of implementation since first awarding grants 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. MSLA is responsible for administering the program. 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 Board of Education 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. 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.

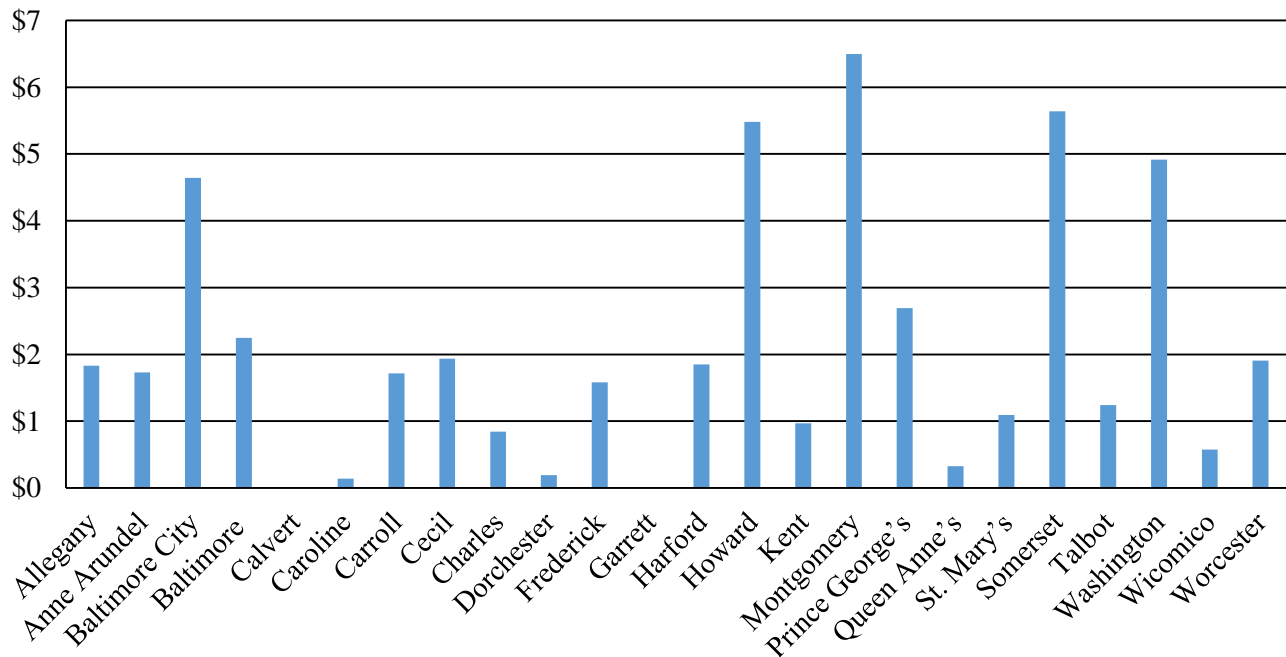
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The statute outlines the criteria to be used to make funding recommendations in all previous and future review cycles:

- the public necessity and urgency of a project;
- 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 (\$6.5 million), followed by Somerset County (\$5.6 million), Howard County (\$5.5 million), and Washington County (\$4.9 million). **Appendix 1** shows annual appropriations by county and year.

Exhibit 1
Total Library Grant Allocation
Fiscal 2008-2018
(\$ in Millions)



Source: Maryland State Library Agency

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Over the 10 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 was 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, 11 new libraries opened across the State with assistance from the program including Ocean City (Worcester), Perryville (Cecil), Boonsboro (Washington), Brunswick (Frederick), Perry Hall (Baltimore County), Miller (Howard), Hagerstown (Washington), Waldorf West (Charles), Silver Spring (Montgomery), Havre de Grace (Harford), and Crisfield (Somerset). Construction of 5 additional new libraries is underway in fiscal 2018: Walkersville (Frederick), Annapolis (Anne Arundel), Hancock (Washington), Berlin (Worcester), and Leonardtown (St. Mary's).

Fiscal 2019 proposed projects are shown in **Exhibit 2**. The fiscal 2019 Public Library Capital Grant allocation totals \$5.0 million. In total, seven projects are recommended in distinct jurisdictions, ranging in amounts from \$200,000 to upward of \$1 million.

As 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 2019
(\$ in Thousands)

<u>County</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Prior Auth.</u>	<u>2018 Amount</u>	<u>Future Request</u>	<u>Total State Share</u>
Baltimore County	Reisterstown Library Renovation – Renovate the 13,180 SF library, improve safety for staff and customers, and maximize space and functionality.	\$3,700	-	\$1,050	\$185	33.0%
Carroll	Westminster Library Renovation – Renovate the 14,000 SF unfinished basement as a community meeting and technology learning space.	3,819	\$187	1,000	372	41.0%
Cecil	New North East Library – Construct a new 45,000 SF library.	20,538	1,424	1,000	5,297	38.0%
Frederick	New Myersville Library – Construct a new 6,800 SF facility in Myersville, an underserved, rural area of Frederick County where no library currently exists.	3,779	-	750	-	20.0%
Harford	Abingdon Library Window Replacement – Replace existing curtain walls to prevent rain leakage resulting in damage to materials.	1,253	-	500	-	40.0%
Montgomery	New Wheaton Library – Construct the new 28,305 GSF library in a shared county facility with the Department of Recreation.	34,390	-	200	-	1.0%
St. Mary’s	Leonardtown Library – Construct a new 30,000 SF library.	11,189	1,091	500	-	14.0%
Total		\$78,668	\$2,702	\$5,000	\$5,854	

GSF: gross square feet
 SF: square feet

Source: Department of Budget and Management

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Among the proposed projects, the new North East Library project in Cecil County is of particular significance due to the large total request amount. The project is currently scheduled for additional future State support estimated at \$5.3 million after having received \$1,424,000 in prior appropriations from the State for land acquisition and planning. This additional amount is not guaranteed, however, as decisions on future support are made annually by the review committee when reviewing project requests. For instance, the project receives an additional \$1,000,000 in fiscal 2019 yet the county requested \$3,749,000. The project start date has been delayed from October 2018 to March 2019, with construction completed in January 2021. The total \$7,721,000 projected for State funding would be an unprecedented amount for a single project for the program and is particularly significant considering the program only receives \$5.0 million annually to be used statewide. If future State spending levels are split over the roughly two fiscal years of construction, this project would require approximately 50% of the total grant funding in fiscal 2020 and 2021.

The agency's rationale 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 prior allocation for the North East Library was made in fiscal 2010 for site acquisition, indicating this project has been needed for nearly a decade. In terms of crowding out other funding, the agency states that projected future funding levels represent the maximum that the county could request based on county wealth formulas. **MSLA should update the committees on the status of discussions with Cecil County to limit and sequence State support for this project to prevent it from crowding out other projects from receiving State funds.**

State Library Resource Center – Renovation

The Enoch Pratt Free Library in Baltimore City is a State Library Resource Center. Education Article § 23-205 specifies that the State is responsible for supporting the State Library Resource Center capital costs. The fiscal 2019 budget includes \$4.83 million in general obligation (GO) bond funds to complete the renovation of the Enoch Pratt Free Library, expected in June 2019. In contrast to prior years, Baltimore City will not contribute matching funds in this last year of the project. Baltimore City has contributed \$5.3 million total, approximately 5% of total costs. The 2019 funding exceeds the \$4,512,000 in GO bonds planned in the last *Capital Improvement Program* by \$318,000 due to higher than expected equipment costs. DBM approved additional equipment costs for this project in July 2017. Approximately \$3.5 million is budgeted for the remaining construction and \$1.3 million for equipment.

The Enoch Pratt Free Library, established in 1933, has never been fully renovated. As a State Library Resource Center, the library provides books, information, services, and resources that cannot be provided by individual libraries. This project addresses major mechanical; electrical; structural; and heating, ventilation, and air conditioning (HVAC) issues related to aging infrastructure and an inappropriate configuration of space. At the project's start, the building did not meet fire code, was not Americans with Disabilities Act (ADA) compliant, and contained asbestos. The building's HVAC system, installed in 1950, has not been updated and is inadequate to control interior climate and

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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 laboratory is located in a portion of the front lobby, and the multimedia 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 space for individual study or private meetings. The renovation project will provide updated wiring for modern technology, upgraded lighting, refinished worn interiors, and cleaned and restored 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.

GO Bond Recommended Actions

1. Approve the \$5,000,000 general obligation bond authorization for the Public Library Capital Grant Program.
2. Approve the \$4,831,000 general obligation bond authorization for the State Library Resource Center Renovation.

Appendix 1
Public Library Capital Grant Authorizations
Fiscal 2008-2018
(\$ 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>Total</u>
Allegany	\$63.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$90.0	\$157.0	\$800.0	\$720.0	\$0.0	\$1,830.0
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	1,730.3
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	4,640.1
Baltimore	135.0	708.0	255.0	610.0	0.0	370.2	0.0	0.0	170.0	0.0	0.0	2,248.2
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
Caroline	89.6	0.0	50.0	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	1,713.0
Cecil	90.0	0.0	562.5	0.0	0.0	0.0	420.0	0.0	0.0	0.0	861.0	1,933.5
Charles	0.0	0.0	0.0	0.0	800.0	0.0	21.0	20.0	0.0	0.0	0.0	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	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	1,583.0
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
Harford	0.0	0.0	373.0	0.0	0.0	0.0	0.0	0.0	1,187.5	194.0	94.0	1,848.5
Howard	90.0	320.0	800.0	500.0	927.7	2,670.0	125.0	46.0	0.0	0.0	0.0	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	968.0
Montgomery	221.0	655.0	0.0	975.0	1,145.3	1,000.0	0.0	0.0	800.0	1,500.0	200.0	6,496.3
Prince George's	101.7	0.0	320.0	400.0	0.0	489.0	0.0	0.0	1,381.0	0.0	0.0	2,691.7
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	325.0
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	1,091.0
Somerset	22.5	179.0	0.0	0.0	0.0	250.0	3,000.0	2,189.0	0.0	0.0	0.0	5,640.5
Talbot	0.0	0.0	0.0	1,240.0	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	4,917.2
Wicomico	45.0	0.0	20.0	0.0	0.0	43.9	0.0	0.0	0.0	320.0	145.0	573.9

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<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>Total</u>
Worcester	67.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,082.9	704.0	50.0	1,904.4
Total	\$2,025.0	\$3,910.5	\$3,887.5	\$4,610.0	\$4,397.0	\$4,920.1	\$5,712.4	\$5,111.1	\$5,451.4	\$5,000.0	\$5,000.0	\$40,025.0

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