

R01A1101
Maryland State Library Agency

Operating Budget Data

(\$ in Thousands)

	<u>FY 17 Actual</u>	<u>FY 18 Working</u>	<u>FY 19 Allowance</u>	<u>FY 18-19 Change</u>	<u>% Change Prior Year</u>
General Fund	\$56,177	\$81,836	\$84,202	\$2,366	2.9%
Adjustments	0	0	14	14	
Adjusted General Fund	\$56,177	\$81,836	\$84,216	\$2,379	2.9%
Federal Fund	2,759	2,579	3,369	791	30.7%
Adjustments	0	0	4	4	
Adjusted Federal Fund	\$2,759	\$2,579	\$3,374	\$795	30.8%
Adjusted Grand Total	\$58,936	\$84,415	\$87,589	\$3,174	3.8%

- The new Maryland State Library Agency's budget is projected to increase by \$3.2 million, or 3.8%, due primarily to changes in the per capita amounts required by library aid formulas.
- Agency personnel will be affected by the State cost-of-living adjustment, increasing expenditures by \$17,955.

Personnel Data

	<u>FY 17 Actual</u>	<u>FY 18 Working</u>	<u>FY 19 Allowance</u>	<u>FY 18-19 Change</u>
Regular Positions	28.00	28.00	28.00	0.00
Contractual FTEs	<u>3.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
Total Personnel	31.00	30.00	30.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/17	3.00	10.71%

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

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Analysis in Brief

Major Trends

Increase in Digital Offerings: Digital items accessed increases dramatically this year, while the number of items owned registers a decrease due to a definitional change. Both the agency and local libraries have focused on more accurately capturing these improving metrics this year.

Library for the Blind and Physically Handicapped Outreach: Since a 2016 mandate, the agency has focused on expanding the reach of the Library for the Blind and Physically Handicapped (LBPH). The agency's increased number of outreach activities is accompanied by dramatic increases in the number attending these events and the number of LBPH materials being accessed.

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

Legislative Enactment: This agency was newly enacted in 2017 through the aggregation of four separate fiscal programs and duties formerly dispersed in the Maryland Department of Education.

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Operating Budget Analysis

Program Description

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 formerly the responsibility of the Division of Library Development and Services (DLDS) in the Maryland State Department of Education (MSDE) 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 connection to the Internet. The network includes the Enoch Pratt Central Library in Baltimore, designated as the State Library Resource Center, 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 Employees retirement costs and State Retirement Agency administrative fee costs for library employees.

Performance Analysis: Managing for Results

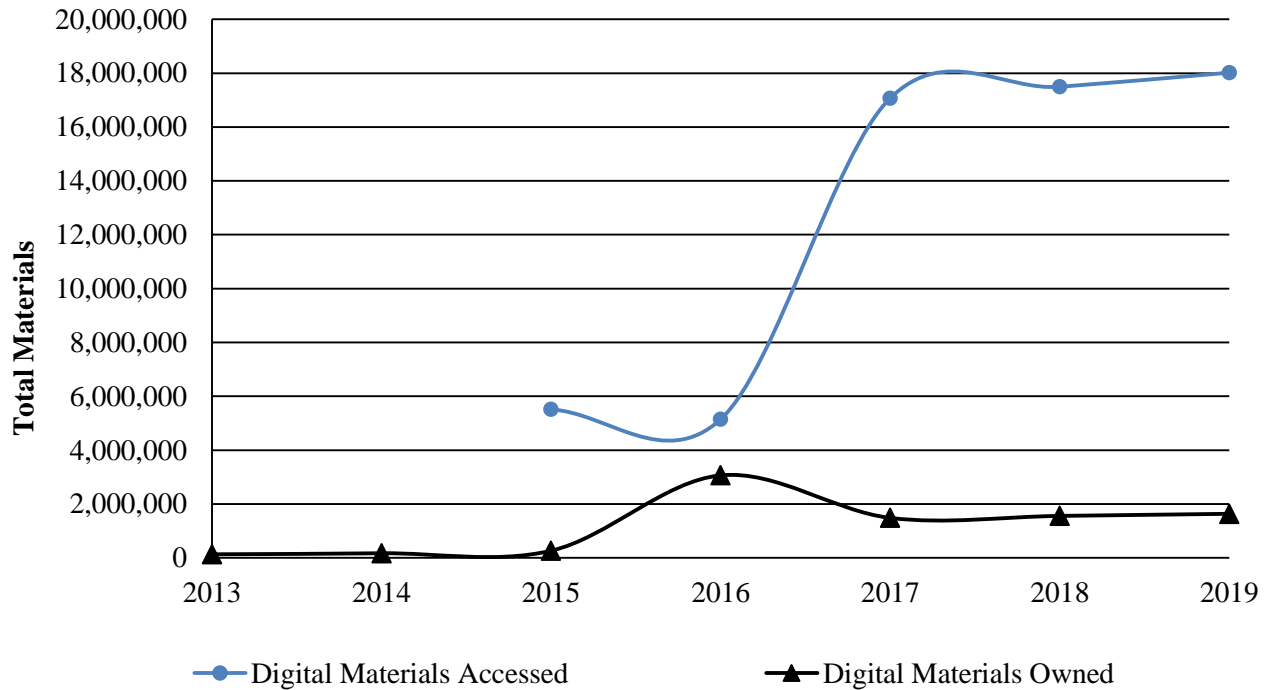
1. Increase in Digital Offerings

The Maryland State Library's Objective 1.1 is to provide equitable access to education, social, and informational 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 both grow significantly since fiscal 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 million since first recorded in 2015 to 17 million in fiscal 2017. The conservative fiscal 2018 estimate for the number of digital materials accessed responds to the national Public Library Survey's requirement to eliminate estimates. On both of these metrics, local libraries are more accurately recording types of materials owned, and MSLA has made changes to data collection standards. Refinements to data collection in fiscal 2017 increases accuracy across locally owned collections. As shown in **Exhibit 1**, these indicators anticipate only a slight increase in fiscal 2018.

Exhibit 1
Increase in Digital Offerings
Fiscal 2013-2019



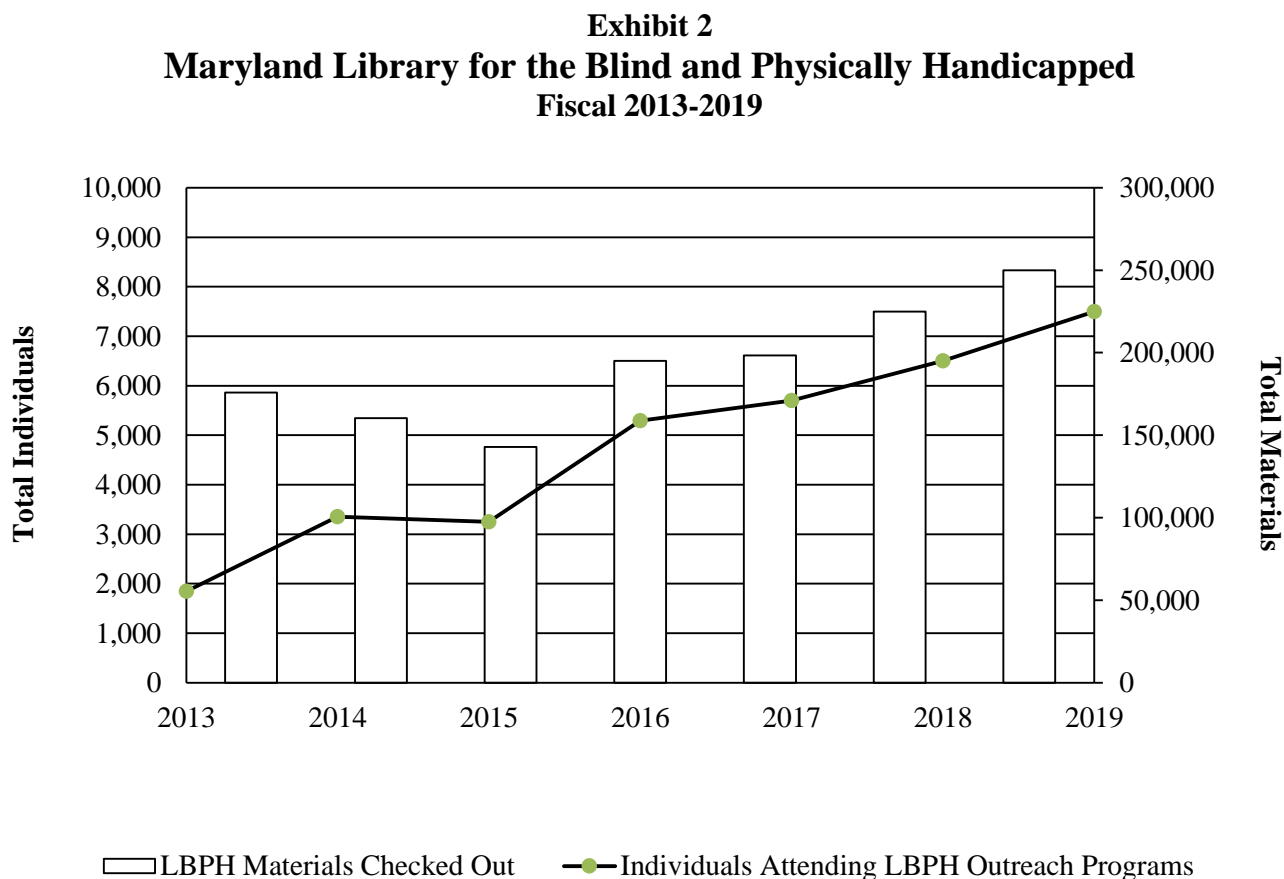
Source: Managing for Results, Maryland State Library Agency

2. Library for the Blind and Physically Handicapped Outreach

Objective 1.2 is that LBPH will coordinate statewide library services for all blind, visually impaired, physically and reading disabled Maryland residents and for institutions serving these individuals. As mentioned in the budget discussion, MSLA prioritizes LBPH outreach efforts to better serve the population. Fiscal 2017 performance reflects results of these efforts, particularly with regard to the attendance at outreach programs. Performance indicators on this objective include:

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

Underlying **Exhibit 2** is the increase in the number of outreach programs that LBPH has presented, which has increased dramatically from 31 in fiscal 2013 to a projected 160 in fiscal 2019. Previously, the number of outreach programs provided by LBPH had declined from fiscal 2013 to 2016, including a drop from 114 to 40 programs between fiscal 2014 and 2015. This recent improvement correlates with increased funding in fiscal 2016 due to a new mandate and the filling of several important positions with LBPH.



LBPH: Library for the Blind and Physically Handicapped

Source: Managing for Results, Maryland State Library Agency

Recent improvements in terms of both the number of individuals attending these programs and the number of materials being accessed seems to reflect the impact of increased focus on outreach. The growth in checked out materials correlates with the growth in the individuals attending outreach programs. The agency has achieved steady growth on both measures over this period.

Proposed Budget

As shown in **Exhibit 3**, the projected \$3.2 million increase in the total budget is composed of increases in personnel expenditures, library formula grants, and retirement benefit expenditures; offset by other reductions. MSLA employees will receive the State cost-of-living adjustment, leading to an increase in spending of \$17,955. Regular wage expenditures increase by \$9,686, which the Department of Budget and Management reports likely reflects changes in staff classification in the transition between DLDS and the new agency.

Grant expenditures under the three aid programs increase by about \$3.6 million, in total for fiscal 2019. Under a legislatively mandated formula, spending for the Public Library Aid program increases by \$2.6 million based on a per capita increase from \$15 in 2018 to \$15.50 in 2019. Spending under the State Library Network program increases by \$0.7 million, based on a per capita increase from \$1.73 in fiscal 2018 to \$1.77 in fiscal 2019 for the State Library Resource Center (SLRC), as well as an increase in the per capita grant from \$7.55 in fiscal 2018 to \$7.95 in fiscal 2019 for the three regional resource centers. Finally, spending under the State Library Retirement Aid Program increases by \$0.3 million based on demographic and salary change for employees.

The remaining changes to the budget include significant decreases to the education/training contract spending. In an effort to more accurately budget for real spending, MSLA cuts significant spending on education/training contracts. This change does not indicate a change in services so much as better forecasting of needs.

Exhibit 3
Proposed Budget
Maryland State Library Agency
(\$ in Thousands)

How Much It Grows:	General Fund	Federal Fund	Total
Fiscal 2017 Actual	\$56,177	\$2,759	\$58,936
Fiscal 2018 Working Appropriation	81,836	2,579	84,415
Fiscal 2019 Allowance	<u>84,216</u>	<u>3,374</u>	<u>87,589</u>
Fiscal 2018-2019 Amount Change	\$2,379	\$795	\$3,174
Fiscal 2018-2019 Percent Change	2.9%	30.8%	3.8%
Where It Goes:			
Personnel Expenses			
Cost-of-living adjustment			\$18
Salaries.....			10
Retirement.....			2
Workers' compensation			-3
Library Aid			
Public Library Aid			2,606
State Library Network			673
Library Retirement.....			306
Other Changes			
Education/training contracts			-469
Other			31
Total			\$3,174

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

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Legislative Enactment

Chapters 337 and 338 established the 12-member Maryland State Library Board (MSLB). These changes went into effect on July 1, 2017. MSLB will oversee MSLA and generally assume the duties of the Maryland Advisory Council on Libraries (MACL). The legislation abolished DLDS within MSDE and the 12-member MACL. Generally, authority and responsibilities of MSDE related to library development in the State shift to the new agency.

The legislation also established that as the head of MSLA, the State librarian will be appointed by MSLB with the advice and consent of the Senate. The State librarian must:

- select, organize, and direct the staff of MSLA;
- perform the duties MSLB assigns; and
- see that the policies and decisions of MSLB are carried out.

MSLA employees, including the State librarian, are entitled to the salary provided in the State budget and must join the Teachers' Pension System or the Employees' Pension System. Generally, the legislation provided that DLDS employees be transferred to MSLA without change to their rights, benefits, or employment status.

MSLA Administration

The MSLA Administration is one of four programs that was aggregated by this legislative change. This program relocates the funding and duties formerly under DLDS within MSDE, as well as establishing new duties. The legislation forming the new agency also assigned new responsibilities including to supply professional and technical advice to higher education and special library officials. Other duties formerly under DLDS include:

- providing leadership and guidance for the planning and coordinated development of library and information services in this State;
- developing statewide public and school library services and networks, resource centers, and other arrangements to meet the library and information needs of the State;
- providing professional and technical advice on improving library services to specified public and library officials;
- administering federal and State funds appropriated to it for library purposes;

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- developing and recommending professional standards and policies for libraries and establishing requirements and procedures for the certification of librarians and library personnel;
- providing specialized library service to the blind and other physically handicapped individuals in this State and other desirable specialized library services;
- encouraging, advising, and assisting in establishing, operating, and coordinating libraries at State institutions and agencies and administering the operation of library and information services for MSDE; and
- administering the State grant program for county public library capital projects.

Aid for Local Library Employee Fringe Benefits

This program was formerly funded under the MSDE – Aid to Education budget (R00A02.03). Demographic and salary trends project growth of 3.1% for fiscal 2019, higher than the projected change for future years. 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 employees' retirement costs and State Retirement Agency administrative fee costs for library employees. Montgomery County public library employees receive State contributions for a county pension program operating on a defined contribution, rather than a defined benefit, basis.

Public Library Aid

This budget program was formerly within the MSDE – Aid to Education budget (R00A02.31). This program includes State mandated funding on a per capita basis as well as federal financial assistance to develop public library services and interlibrary cooperation and to assist in providing services to blind and physically handicapped residents. Per capita funding mandated increases from \$15.00 in fiscal 2018, to \$15.50 in fiscal 2019 and \$16.00 in fiscal 2020. Out of approximately \$2.9 million in total funding from the Institute of Museum and Library Services under the Library Service and Technology Act, the agency disburses about \$2.4 million to local libraries to supplement funds under this program.

State Library Network

This budget program was within the MSDE – Aid to Education budget (R00A02.32). The State Library Network implements a program to electronically connect libraries and other resources within the State and provide connection to the Internet. The network includes the Enoch Pratt Central Library in Baltimore, designated as SLRC, as well as three regional resource centers. These three centers serve the Eastern Shore, Southern Maryland, and Western Maryland. This program expands the capacity of all Maryland residents to access information and services beyond their local libraries, making the most efficient usage of library resources. Per capita funding for SLRC increases from \$1.73 in fiscal 2018 to \$1.77 in fiscal 2019 and \$1.81 in fiscal 2020. Each of the three regional

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resource centers receive a per capita grant as well, increasing from \$7.55 in fiscal 2018 to \$7.95 in fiscal 2019 and \$8.35 in fiscal 2020.

Appendix 1
Object/Fund Difference Report
Maryland State Library Agency

<u>Object/Fund</u>	<u>FY 17 Actual</u>	<u>FY 18 Working Appropriation</u>	<u>FY 19 Allowance</u>	<u>FY 18 - FY 19 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	28.00	28.00	28.00	0.00	0%
02 Contractual	3.00	2.00	2.00	0.00	0%
Total Positions	31.00	30.00	30.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 1,881,892	\$ 2,213,798	\$ 2,222,364	\$ 8,566	0.4%
02 Technical and Spec. Fees	218,255	199,499	183,838	-15,661	-7.9%
03 Communication	9,037	40,167	28,923	-11,244	-28.0%
04 Travel	34,910	66,605	140,717	74,112	111.3%
06 Fuel and Utilities	124,209	168,000	212,000	44,000	26.2%
07 Motor Vehicles	4,434	6,522	49,540	43,018	659.6%
08 Contractual Services	742,193	1,066,455	681,631	-384,824	-36.1%
09 Supplies and Materials	76,609	425,619	171,537	-254,082	-59.7%
10 Equipment – Replacement	122,598	539	103,300	102,761	19065.1%
11 Equipment – Additional	4,368	100,000	30,000	-70,000	-70.0%
12 Grants, Subsidies, and Contributions	55,671,352	80,078,405	83,682,381	3,603,976	4.5%
13 Fixed Charges	46,578	49,250	64,980	15,730	31.9%
Total Objects	\$ 58,936,435	\$ 84,414,859	\$ 87,571,211	\$ 3,156,352	3.7%
Funds					
01 General Fund	\$ 56,177,110	\$ 81,836,196	\$ 84,201,879	\$ 2,365,683	2.9%
05 Federal Fund	2,759,325	2,578,663	3,369,332	790,669	30.7%
Total Funds	\$ 58,936,435	\$ 84,414,859	\$ 87,571,211	\$ 3,156,352	3.7%

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.

**Appendix 2
Fiscal Summary
Maryland State Library Agency**

<u>Program/Unit</u>	<u>FY 17 Actual</u>	<u>FY 18 Wrk Approp</u>	<u>FY 19 Allowance</u>	<u>Change</u>	<u>FY 18 - FY 19 % Change</u>
17 Division of Library Development and Services	\$ 4,489,990	\$ 4,621,454	\$ 0	-\$ 4,621,454	-100.0%
31 Public Libraries	37,429,659	41,747,196	0	-41,747,196	-100.0%
32 State Library Network	17,016,786	17,707,258	0	-17,707,258	-100.0%
01 Maryland State Library Agency Administration	0	0	4,192,885	4,192,885	0%
02 Public Libraries	0	0	44,352,865	44,352,865	0%
03 State Library Network	0	0	18,380,048	18,380,048	0%
04 Aid for Local Library Employee Fringe Benefits	0	20,338,951	20,645,413	306,462	1.5%
Total Expenditures	\$ 58,936,435	\$ 84,414,859	\$ 87,571,211	\$ 3,156,352	3.7%
General Fund	\$ 56,177,110	\$ 81,836,196	\$ 84,201,879	\$ 2,365,683	2.9%
Federal Fund	2,759,325	2,578,663	3,369,332	790,669	30.7%
Total Appropriations	\$ 58,936,435	\$ 84,414,859	\$ 87,571,211	\$ 3,156,352	3.7%

Note: The fiscal 2018 appropriation does not include deficiencies, targeted reversions, or across-the-board reductions. The fiscal 2019 allowance does not include contingent reductions or cost-of-living adjustments.