

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 163 (Senator Ellis)
Budget and Taxation

Charles County Public Library - Imagination Library Program - Funding

This bill authorizes the Charles County Public Library (CCPL) to partner with an Imagination Library Program (ILP) to provide free books to children up to five years of age. From fiscal 2026 through 2035, the Governor must annually include an appropriation to CCPL of \$2.10 per month for each child registered in the program. **The bill takes effect July 1, 2024, and terminates June 30, 2034.**

Fiscal Summary

State Effect: General fund expenditures increase by as much as \$93,000 annually from FY 2026 through 2035, as discussed below. Revenues are not affected. The Maryland State Library Agency (MSLA) may be minimally affected beginning in FY 2026, as discussed below. **This bill establishes a mandated appropriation from FY 2026 through 2035.**

Local Effect: CCPL revenues increase by as much as \$93,000 annually from FY 2026 through 2035, as discussed below. Expenditures are assumed to increase correspondingly for program activities.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Imagination Library Program” is defined as a program run by a nonprofit organization that provides free books to children up to five years of age.

Current Law: Chapters 446 and 447 of 2022 established the Young Readers Matching Grant Program to provide matching grants to an “affiliated service” to support the

establishment and operation of the affiliated service. An “affiliated service” is a book-gifting service performed by a nonprofit organization that is tax exempt or a unit of a State, county, or municipal government that forms an affiliated partnership with an early reader organization. “Early reader organization” means a nonprofit organization that (1) is tax exempt as a § 501(c)(3) organization and (2) whose mission is to mail to children free, high-quality books designed to aid the development of reading skills.

Chapters 649 and 650 of 2023, among other things, authorizes public libraries to apply for program grants under the Young Readers Matching Grant Program. Chapters 649 and 650 also require the Governor to include \$350,000 in the annual budget bill for the matching grant program (beginning in fiscal 2024). The fiscal 2024 State budget as passed by the General Assembly includes \$500,000 for the Young Readers Matching Grant Program.

State/Local Fiscal Effect: Dolly Parton’s ILP is a book-gifting program that mails free, high-quality books to children from birth to age five, regardless of the family’s income. MSLA advised for a prior introduction of the bill that the program is responsible for the distribution of materials to registered participants, while CCPL is responsible for management of other aspects of the program on behalf of the county. These activities may include (1) coordinating efforts with ILP; (2) promoting the program to the targeted population; and (3) identifying additional donors to financially support the expansion of the program.

Under the bill, the Governor must include in the annual budget \$2.10 per month for each child registered in the program (*i.e.*, \$25.20 per year) from fiscal 2026 through 2035.

The exact number of children that may participate in the program over that time period is unknown. CCPL currently operates the [program](#) (funded by both CCPL as well as donations from foundations, corporations, grants, and individual donors) and anticipates that, under the bill, it may receive between \$70,000 and \$93,000 annually in State funding, which would provide one year of free books to between 2,778 and 3,690 children annually over the duration of the program.

Because the program is currently funded locally, the mandated appropriation may result in excess funding for the program. To the extent excess funding is received, this analysis assumes local funds can be repurposed for other activities. It is assumed that local funds cover any additional costs if the costs of books and mailing increase beyond \$2.10 per child per month.

Additionally, as noted above, the Young Readers Matching Grant Program (administered by MSLA) provides matching grants to an affiliated service to support book gifting. MSLA notes that the additional State funding provided to CCPL under the bill may allow funds currently designated as supporting CCPL (via MSLA) to be redistributed to other programs

across the State. Because the Young Readers Matching Grant Program is currently fully subscribed (*i.e.*, demand exceeds available funds), there is likely no net effect on MSLA expenditures.

Additional Comments: The Department of Legislative Services notes that, while the bill specifies that funding is mandated through fiscal 2035, the bill terminates at the end of fiscal 2034.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 108 of 2022.

Designated Cross File: None.

Information Source(s): Charles County; Maryland State Library Agency; Department of Legislative Services

Fiscal Note History: First Reader - January 16, 2024
km/clb

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