

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 473 (Senator Sfikas. *et al.*)

Budget and Taxation

Public Libraries - Minimum Library Program - Maintenance of Effort

This bill establishes a local maintenance of effort requirement for the funding of county libraries. A county governing body must provide the county public library system with at least the same amount of local funds as in the prior year in order to receive an increase in State aid under the minimum library program.

This bill takes effect July 1, 1998.

Fiscal Summary

State Effect: None. The State share of the minimum library program would remain the same.

Local Effect: Indeterminate. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Fiscal Analysis

Background: The State minimum library program was established in 1962 to provide financial assistance to county public library systems. The State provides about 40% of the total cost of the minimum program and the counties provide 60%. The State share of the total is divided among the counties according to their relative wealth, with no county receiving less than 20% of its minimum program. Three counties (Montgomery, Talbot, and Worcester) receive the minimum State share. The minimum library program in fiscal 1999 totals \$47.3 million (\$9.25 per resident), with the State contribution totaling \$19.75 million. State aid under this program can only be used for library purposes.

Local Effect: County public library systems receive on average about 74% of their revenue from local governments and 19% from the State. As shown in **Exhibit 1**, local governments

provided three times more funding to public libraries in fiscal 1997 than the State. Currently, as a condition to receive State library aid under the minimum library program, local governments must provide a minimum level of local funding to the county library system. In fiscal 1999, the required minimum local appropriation will total \$28.4 million. Local appropriations to public libraries already exceed the minimum State requirement.

In addition to this existing minimum funding requirement, this bill imposes a local maintenance of effort requirement for the funding of county libraries. Currently, a county can reduce the local library appropriation upon receiving an increase in State aid as long as the local appropriation is not below the minimum funding requirement. As shown in **Exhibit 2**, three counties decreased their local library appropriation in fiscal 1997 and in fiscal 1998. Prince George's County was the only county to decrease its local library appropriation in both fiscal years. Data for Baltimore City and Baltimore and Montgomery counties were not available for all years. The proposed State fiscal 1999 budget includes \$3.2 million in additional library aid. Pursuant to this legislation, in order to receive an increase in State library aid, county governments must provide the county public library system with at least the same amount of local funds as in the prior year.

Information Source: Department of Legislative Services

A hard copy of attachments can be obtained in room 226 of Legislative Services Bldg.

Fiscal Note History: First Reader - February 18, 1998
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Exhibit 1
Local Library Funding Statistics

<u>County</u>	<u>Library Budget (FY 1997)</u>	<u>State Library Funding (FY 1997)</u>	<u>County Appropriation (FY 1997)</u>	<u>Minimum Local Appropriation - FY 99 (\$9.25 program)</u>	<u>Local Amount Above Minimum Requirement</u>
Allegany	\$931,812	\$410,862	\$445,000	\$216,404	\$228,596
Anne Arundel	11,871,400	1,231,308	9,966,092	2,930,276	7,035,816
Baltimore City	20,705,847	8,100,762	12,246,085	1,840,212	10,405,873
Baltimore	22,527,355	1,918,065	17,439,290	4,015,837	13,423,453
Calvert	1,307,953	145,826	1,131,527	461,757	669,770
Caroline	896,971	146,971	750,000	108,648	641,352
Carroll	5,204,649	464,819	4,405,735	787,106	3,618,629
Cecil	1,318,108	291,382	856,892	397,022	459,870
Charles	1,729,298	377,863	1,054,900	643,403	411,497
Dorchester	672,468	137,134	353,000	126,894	226,106
Frederick	2,631,400	528,000	2,023,400	1,056,738	966,662
Garrett	431,300	112,558	260,000	141,175	118,825
Harford	6,466,083	761,351	5,283,032	1,089,973	4,193,059
Howard	8,429,805	363,330	7,090,660	1,686,066	5,404,594
Kent	351,738	58,275	278,463	110,412	168,051
Montgomery	23,760,380	2,754,550	19,398,790	6,778,575	12,620,215
Prince George's	15,486,916	5,056,330	9,714,302	3,638,816	6,075,486
Queen Anne's	883,595	82,511	757,520	252,298	505,222
St. Mary's	1,310,504	323,381	891,033	407,470	483,563
Somerset	362,484	140,346	217,138	63,003	154,135
Talbot	447,485	53,460	339,900	275,719	64,181
Washington	1,864,487	583,427	1,040,000	546,922	493,078
Wicomico	1,462,236	368,870	915,593	327,610	587,983
Worcester	769,396	52,000	707,396	456,388	251,008
Total	\$131,823,670	\$24,463,381	\$97,565,748	\$28,358,724	\$69,207,024

Prepared by the Department of Legislative Services, February 1998

Source: County Budgets

