

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE
Revised

House Bill 601 (Delegate Hixson. *et al.*)

Ways and Means

Libraries - Funding - State Library Resource Center

This bill establishes a funding formula for the State Library Resource Center, beginning in fiscal 2001, in the amount of \$1.35 for each State resident in the previous year. The per capita grant increases to \$1.55 in fiscal 2002, \$1.70 in fiscal 2003, and \$1.85 in fiscal 2004 and each year thereafter.

This bill takes effect July 1, 1999.

Fiscal Summary

State Effect: General fund expenditures could increase by \$3.2 million in FY 2001. Future year expenditures reflect additional persons served and per capita grant increases. General fund revenues are not affected.

(in millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	0	3.2	4.3	5.2	6.1
Net Effect	\$0	(\$3.2)	(\$4.3)	(\$5.2)	(\$6.1)

Note: () = decrease; GF = general funds

Local Effect: The Enoch Pratt Free Library (Baltimore City) would receive an additional \$3.2 million in FY 2001. Expenditures are not directly affected.

Small Business Effect: None.

Fiscal Analysis

Background: In 1971 the State designated the Central Library of the Enoch Pratt Free Library as the State Library Resource Center. The role of both the Central Library and the State Library Resource Center is to provide access to information and materials on specialized subjects that individual public or school libraries cannot afford to purchase individually. Due to this unique role, both the Central Library and the State Library Resource Center have developed into an extensive resource center for the entire State. Accordingly, this has allowed other public library systems to devote their resources on current and popular book titles, instead of purchasing specialized publications that are not used primarily by the general public.

Last year a task force was established to develop a funding formula for the State Library Resource Center that recognizes the dual function of the Enoch Pratt Central Library as both the State Library Resource Center and a local branch library in the Baltimore City library system. The task force proposed that the State Library Resource Center be funded based on a per capita grant using the State's population.

State Effect: The State Library Resource Center/Central Library operating budget for fiscal 2000 totals approximately \$12 million. The State currently provides one-third of the funding, with Baltimore City providing most of the remaining funds. This bill establishes a funding formula for the State Library Resource Center that requires the State to contribute a larger share of the center's funding. The fiscal 2000 State budget includes \$3.8 million in funding for the State Library Resource Center. This bill would increase the mandatory State funding to \$7 million in fiscal 2001 by basing the center's funding on a per capita grant. This represents a \$3.2 million increase over current funding levels. State funding would increase by \$4.3 million in fiscal 2002 and \$6.1 million by fiscal 2004. The following table shows the projected fiscal impact for fiscal 2001 through fiscal 2004. This estimate assumes that the State appropriation to the State Library Resource Center does not change from current funding levels.

House Bill 601 - State Funding for State Library Resource Center

<u>Fiscal Year</u>	<u>Per Capita Grant</u>	<u>Estimated Population</u>	<u>Required Funding</u>	<u>Current Funding</u>	<u>Difference</u>
2001	\$1.35	5,194,800	\$7,013,000	\$3,783,400	\$3,229,600
2002	\$1.55	5,229,300	\$8,105,400	\$3,783,400	\$4,322,000
2003	\$1.70	5,275,100	\$8,967,700	\$3,783,400	\$5,184,300
2004	\$1.85	5,322,500	\$9,846,600	\$3,783,400	\$6,063,200

Local Effect: State assistance to the Enoch Pratt Free Library/Baltimore City would increase by \$3.2 million in fiscal 2001. Assuming Baltimore City does not supplant local funds with the additional State aid, library services at the State Library Resource Center would be expanded.

Information Source(s): Maryland State Department of Education, Enoch Pratt Free Library, Department of Legislative Services

Fiscal Note History: First Reader - March 1, 1999
Inc/jr Revised - House Third Reader - March 26, 1999

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