

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 435

(Senator Britt, *et al.*)

Education, Health, and Environmental Affairs and Budget and Taxation

Primary and Secondary Education - Library Media Center Improvement Fund

This bill establishes a Library Media Center Improvement Fund to provide matching funds to local boards of education for specified improvements in school media centers. The Governor may include money in the State budget for the fund in fiscal 2007 and must include \$10 million for the fund in the fiscal 2008 budget, \$15 million in the fiscal 2009 budget, and \$20 million in the fiscal 2010 budget. The Maryland State Department of Education (MSDE) must establish procedures for processing and awarding grants and must administer the fund.

The bill takes effect July 1, 2006 and terminates June 30, 2010.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$12,500 in FY 2007 to hire a part-time program administrator at MSDE. Future year expenditure estimates reflect the mandated funding levels and annualized administrative expenses for the life of the program. Revenues would not be affected.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	12,500	10,029,900	15,031,300	20,032,700	0
Net Effect	(\$12,500)	(\$10,029,900)	(\$15,031,300)	(\$20,032,700)	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local school system revenues from State aid would increase by \$10 million in FY 2008, \$15 million in FY 2009, and \$20 million in FY 2010.

Small Business Effect: Minimal.

Analysis

Bill Summary: Grants from the Library Media Center Improvement Fund may be used for: expansion or replacement of school media center inventories; technology enhancements in school media centers; and hiring additional media specialists and instructional aides. Each year that there is money in the fund, a local board of education may receive a grant from the fund that is equal to the amount in its budget for these items minus the amount budgeted for these items in fiscal 2006. The grant for a local board may not exceed its percent share of the State's public school students, multiplied by the amount in the fund.

Current Law: Each school must have a unified library media program that includes: a collection of appropriate materials and technologies to support instructional programs; instruction emphasizing literacy skills; and certified school library media personnel. The State does not provide funding specifically for school library media centers.

Background: In 1998, the School Accountability Funding for Excellence (SAFE) legislation established library media grants of \$3 million annually. The grants were provided each year from fiscal 1999 to 2003. To qualify for the grants, local school systems had to match the State aid with new local spending. The Bridge to Excellence in Public Schools Act of 2002 folded the funding for library media grants into the foundation program, which is providing \$2.3 billion to public schools in fiscal 2006. The proposed fiscal 2007 State budget includes \$4.5 billion for State education aid, almost all of which is unrestricted.

State Expenditures: Mandated general fund expenditures will increase by \$10 million in fiscal 2008, \$15 million in fiscal 2009, and \$20 million in fiscal 2010. This funding would be distributed to qualifying school systems to improve library media centers.

In addition, general fund expenditures could increase by an estimated \$12,533 in fiscal 2007 to support the addition of one contractual half-time education specialist at MSDE to oversee and administer the new program. This estimate assumes the added position would begin in April 2007, three months before State aid from the new program is distributed in fiscal 2008. This would be enough time for MSDE to develop a grant application and identify a fiscal 2006 funding level for each jurisdiction to ensure that existing library media funds will not be supplanted by new State funding for the initiative. A half-time contractual salary, fringe benefits, one-time start-up costs, and ongoing operating expenses are included in the fiscal 2007 estimate.

	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>
Contractual Salary and Fringe Benefits	\$7,426	\$28,956
Local School System Grants	0	10,000,000
Operating Expenses	<u>5,107</u>	<u>980</u>
Total State Expenditures	\$12,533	\$10,029,936

Fiscal 2009 and 2010 expenditure estimates reflect: (1) grants totaling \$15 million in fiscal 2009 and \$20 million in fiscal 2010; (2) a half-time contractual salary with 4.6% annual increases and 6.8% employee turnover; and (3) 1% annual increases in ongoing operating expenses.

Local Revenues: Local school revenues from State aid will increase by \$10 million in fiscal 2008, \$15 million in fiscal 2009, and \$20 million in fiscal 2010. The grant amounts will be based on enrollments. The awards that will be distributed to each system from fiscal 2008 to 2010 are estimated in **Exhibit 1**. The estimates assume each school system budgets sufficient funds to receive the maximum State matching grant. The additional State aid will be spent to expand or replace school media center inventories, enhance technology in school media centers, and hire additional media specialists and instructional aides.

Exhibit 1
Funding for Library Media Center Improvements
Fiscal 2008 to 2010

<u>School System</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Three-year Total</u>
Allegany	\$109,506	\$161,550	\$211,600	\$482,657
Anne Arundel	864,566	1,292,025	1,725,995	3,882,586
Baltimore City	986,358	1,448,608	1,889,556	4,324,522
Baltimore	1,231,284	1,837,090	2,443,485	5,511,858
Calvert	208,373	315,242	423,552	947,166
Caroline	63,264	94,079	125,420	282,762
Carroll	344,798	518,607	693,537	1,556,942
Cecil	194,288	294,366	393,194	881,849
Charles	310,723	471,124	638,041	1,419,888
Dorchester	53,152	78,484	103,560	235,196
Frederick	472,753	719,031	971,646	2,163,430
Garrett	54,113	78,873	103,087	236,074

<u>School System</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>Three-year Total</u>
Harford	468,147	701,125	930,212	2,099,484
Howard	577,427	875,380	1,176,544	2,629,351
Kent	26,981	39,107	50,182	116,270
Montgomery	1,640,830	2,474,834	3,322,338	7,438,001
Prince George's	1,533,060	2,299,774	3,049,748	6,882,582
Queen Anne's	88,808	135,321	183,479	407,608
St. Mary's	190,957	290,115	389,947	871,019
Somerset	33,366	49,381	66,328	149,074
Talbot	50,683	75,567	99,457	225,707
Washington	252,647	385,936	523,962	1,162,545
Wicomico	166,508	250,114	334,459	751,080
Worcester	<u>77,408</u>	<u>114,270</u>	<u>150,672</u>	<u>342,349</u>
Total	\$10,000,000	\$15,000,000	\$20,000,000	\$45,000,000

Additional Information

Prior Introductions: None.

Cross File: HB 1179 (Delegate Frush, *et al.*) – Ways and Means.

Information Source(s): Maryland State Department of Education, Department of Legislative Services

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