

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 661 (Senator McFadden)
Budget and Taxation

Libraries - Funding - State Library Resource Center

This bill increases the per-resident allocation for the State Library Resource Center. The allocation rises from its current level of \$1.85 to \$2.10 in fiscal 2009 and 2010, \$2.30 in fiscal 2011, and \$2.50 in fiscal 2012 and thereafter.

Fiscal Summary

State Effect: General fund expenditures increase by \$1.4 million in FY 2009 due to a \$0.25 increase in the State Library Resource Center's per-resident allocation. Future year increases reflect projected State population growth and additional per-resident rate increases.

(\$ in millions)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.4	1.4	2.5	3.7
Net Effect	\$0	(\$1.4)	(\$1.4)	(\$2.5)	(\$3.7)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: State funding for the State Library Resource Center is provided by a statutory per-resident general fund allocation. The resource center's current per-resident

allocation of \$1.85 has been in effect since fiscal 2004. State funding through the per-resident allocation can be used for operating and capital expenditures.

Background: The State Library Resource Center, housed at the Central Library of the Enoch Pratt Free Library System in Baltimore City, was created in 1971 to expand access statewide to specialized library services and materials. It performs four major functions:

- maintaining the Sailor Network, a statewide online electronic information network that establishes a single search portal for Maryland residents to search for information from multiple public access databases in the State. The network processed over 54 million searches in fiscal 2006;
- providing professional development and continuing education opportunities for Maryland librarians, including workshops required for librarian certification;
- operating an interlibrary loan service that allows local libraries to access materials they do not have in house. The service made 157,000 loans in fiscal 2006; and
- subscribing to proprietary online databases to give State residents access to information for research and school homework assignments. Marylanders downloaded more than 2.5 million items from these databases in fiscal 2006.

Some of the resource center's functions are also supported with federal Library Services and Technology Act grants and "e-rate" funds available under the Telecommunications Act of 1996.

Chapter 481 of 2005 phased in enhancements to the formulas that fund local public libraries over a four-year period. Beginning in fiscal 2007, the previous \$12 per resident amount for the State library formula was raised by \$1 per year to reach \$16 in fiscal 2010. During the same four-year period, the previous \$4.50 per resident State aid amount for libraries that act as regional resource centers was raised by \$1 per year to reach \$8.50 per resident in fiscal 2010. The State Library Resource Center's funding formula was not affected by these changes.

State Expenditures: General fund expenditures would increase by \$1.4 million in fiscal 2009. This estimate is based on the Maryland Department of Planning's projected annual growth rate of the State's population of 1.1% in 2008 through 2010 and 0.8% from 2010 to 2015. The U.S. Census Bureau estimates Maryland's population to be 5,615,727 as of July 1, 2006. **Exhibit 1** shows the bill's effect on the State Library Resource Center's general fund allocation through fiscal 2012.

Exhibit 1
Fiscal Impact of SB 661 on State Funding

<u>Fiscal Year</u>	<u>Population</u>	<u>Allocation Under Current \$1.85 Rate</u>	<u>Allocation Under Proposed Rates</u>	<u>Difference</u>
2009	5,626,964	\$10,409,884	\$11,816,625	\$1,406,741
2010	5,631,466	10,418,211	11,826,078	1,407,866
2011	5,635,971	10,426,546	12,962,733	2,536,187
2012	5,640,480	10,434,887	14,101,199	3,666,312

Additional Information

Prior Introductions: None.

Cross File: HB 226 (Delegate Hixson, *et al.*) – Ways and Means.

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

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ncs/rhh

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