

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 322 (Delegate Hixson, *et al.*)
 Ways and Means

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 2011 and 2012, \$2.30 in fiscal 2013, and \$2.50 in fiscal 2014 and thereafter.

Fiscal Summary

State Effect: General fund expenditures increase by \$1.4 million in FY 2011 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. **This bill increases a mandated appropriation.** No effect on revenues.

(\$ in millions)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.4	1.4	2.6	3.7
Net Effect	\$0	(\$1.4)	(\$1.4)	(\$2.6)	(\$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 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. The center's four major functions are:

- maintaining the Sailor Network, a statewide online electronic information network that provides a single search portal for Maryland residents to access information from multiple public 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.

Chapter 481 of 2005 began a phase in of enhancements to the formulas that fund local public libraries and regional resource centers. The State Library Resource Center's funding formula was not affected by these changes.

The fiscal 2010 State budget proposes a reduction of 10% (\$1.0 million) for the center that is contingent on legislation and would result in an appropriation of \$9.4 million for the center. The proposed fiscal 2010 budget plan also reduces funding for local and regional libraries.

State Expenditures: Mandated general fund expenditures increase by \$1.4 million in fiscal 2011. This estimate is based on projected growth of 0.3% of the State's population and the \$0.2 increase in the per capita allocation. **Exhibit 1** shows the bill's projected effect on the State Library Resource Center's general fund allocation through fiscal 2014.

Exhibit 1
Fiscal Impact of HB 322 on State Funding

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Allocation Under Current \$1.85 Rate</u>	<u>Allocation Under Proposed Rates</u>	<u>Difference</u>
2011	5,637,708	\$10,429,760	\$11,839,187	\$1,409,427
2012	5,657,376	10,466,146	11,880,490	1,414,344
2013	5,677,353	10,503,103	13,057,912	2,554,809
2014	5,697,640	10,540,634	14,244,100	3,703,466

Additional Information

Prior Introductions: A similar bill, HB 226 of 2007, was heard in the House Ways and Means Committee, but the committee took no further action on the bill.

Cross File: None.

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

Fiscal Note History: First Reader - February 19, 2009
ncs/mwc

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