

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 235

(Senator King, *et al.*)

Education, Health, and Environmental Affairs

Ways and Means

Education - MDK12 Digital Library

This bill codifies the MDK12 Digital Library, a digital content purchasing consortium within the Maryland State Department of Education (MSDE), as well as the steering committee for the digital library. The steering committee consists of one representative from each local school system, one representative from MSDE, and one representative from a private nonprofit school selected to represent the private nonprofit schools in the State. MSDE must employ one half-time position to coordinate the program. By October 1 of each year, the steering committee must submit a report on the financial status and operations of the MDK12 Digital Library to MSDE.

Fiscal Summary

State Effect: General fund expenditures increase an estimated \$33,000 in FY 2010 to employ a part-time specialist to coordinate the MDK12 Digital Library. Future year expenditure estimates reflect annualization, inflation, and regular salary increases. Revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	33,000	43,100	45,100	47,200	49,400
Net Effect	(\$33,000)	(\$43,100)	(\$45,100)	(\$47,200)	(\$49,400)

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

Local Effect: Local school expenditures for digital content may decrease beginning in FY 2010 due to continued savings negotiated by the MDK12 Digital Library. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The steering committee for the MDK12 Digital Library must:

- establish criteria to evaluate and select digital content;
- make a good faith estimate of the digital content intended for purchase under each bid;
- collect and analyze usage data;
- request and award bids for the purchase and distribution of digital content; and
- identify vendors of digital content.

MDK12 Digital Library member school systems and schools must report digital content usage data to the steering committee and utilize the pricing agreements established by the steering committee. Members may not place independent orders with identified vendors for prices less than those negotiated by the steering committee and must notify the steering committee and MSDE if a vendor verbally or by writing offers a better price than that negotiated by the steering committee.

Current Law: The MDK12 Digital Library presently exists, although it is not specifically established in State law.

The Maryland Digital Library within the Maryland Higher Education Commission has a similar name, but a different mission. It is a self-supporting consortium of academic libraries from the Maryland public and private nonprofit institutions of postsecondary education and provides access to scholarly digital resources.

Background: In 2000, the Chief of the School Library Services Branch at MSDE recommended that a group of school library media administrators study the feasibility of forming a statewide consortium to take advantage of cost-effective licensing of fee-based online services for K-12 schools in Maryland. A survey of local school systems in Maryland found that many local school systems were licensing online services, that licensing fees were not consistent throughout Maryland, and that licensing fees were too high for some local school systems to afford. Furthermore, evidence from other states suggested that discounts from digital purchasing consortia can be significant.

In 2002, MSDE awarded Montgomery County Public Schools (MCPS) a federal *Enhancing Education Through Technology* (Title IID) grant to form a statewide purchasing consortium. Over the next five years MCPS worked with the 23 other local school systems to form the MDK12 Digital Library, a statewide purchasing consortium for the K-12 community designed to give teachers, students, and parents access to a collection of online resources to support teaching and learning at a savings to the individual school systems.

Entering its seventh year, the MDK12 Digital Library project has leveraged the group's collective resources to negotiate one single joint contract with an online service provider to serve approximately 850,000 public school students and over 42,000 nonpublic school students enrolled in grades K-12. The preamble states that benefits of the project have been greater equity of access, cost savings to local school systems, shared professional development, and effective partnerships among school librarians. The federal grant that supports this project expires September 30, 2009.

State Expenditures: General fund expenditures increase an estimated \$32,988 in fiscal 2010 to employ a half-time specialist to coordinate the MDK12 Digital Library. This estimate reflects the bill's October 1, 2009 effective date and the end of the federal grant as of September 30, 2009. The specialist will coordinate with the 24 local school systems to negotiate contracts with digital content vendors. The estimate includes a half-time salary, fringe benefits, travel expenditures for the coordinator to travel to the 24 local school systems, and other operating expenses.

Positions	0.5
Salary and Fringe Benefits	\$30,359
Travel Expenses	1,125
Other Operating Expenses	<u>1,504</u>
Total FY 2010 State Expenditures	\$32,988

Future year expenditures reflect a full-year half-time salary with 4.4% annual increases, 3% employee turnover, and 1% annual increases in ongoing operating expenses.

Local Expenditures: Savings for local school systems realized through the MDK12 Digital Library continue beyond September 2009. The savings have grown steadily from \$46,000 in fiscal 2005 to an estimated \$250,000 in fiscal 2008 as shown in **Exhibit 1**.

Exhibit 1
Estimated Decrease in Expenditures by Local School Systems
due to MDK12 Digital Library

<u>Fiscal Year</u>	<u>Estimated Decrease in Expenditures</u>
2005	\$46,000
2006	180,000
2007	215,105
2008	250,000

Source: MDK12 Digital Library

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland State Department of Education, MDK12 Digital Library, Department of Legislative Services

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