

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 Enrolled - Revised

Senate Bill 448

(Senator King, *et al.*)

Budget and Taxation

Ways and Means

Education - Regional Resource Centers and Libraries - Funding

This bill increases the per capita funding amount that must be provided to each regional resource center and to each county public library system participating in the State’s library program beginning in fiscal 2023. The bill also requires each public library to offer specified services beginning January 1, 2024. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: General fund expenditures increase by \$1.5 million in FY 2023 and by \$6.4 million in FY 2027. Future year expenditures reflect per capita aid adjustments and population increases. Revenues are not affected. The State budget includes \$1.5 million to fund the enhancements in FY 2023. **This bill increases mandated appropriations beginning in FY 2024.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.5	2.7	3.9	5.2	6.4
Net Effect	(\$1.5)	(\$2.7)	(\$3.9)	(\$5.2)	(\$6.4)

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

Local Effect: State aid to local library systems increases by \$1.5 million in FY 2023 and by \$6.4 million in FY 2027. Local expenditures are likely not materially affected, as discussed below.

Small Business Effect: None.

Analysis

Bill Summary: Per capita State aid for regional resource centers is increased by \$0.44 in fiscal 2023; the increase escalates annually until fiscal 2027, when funding is increased by \$1.24 compared to current law. Per capita State aid for local public library systems is increased by \$0.40 in fiscal 2023; the increase escalates annually until fiscal 2027, when funding is increased by \$2.00 compared to current law. **Exhibit 1** compares per capita State aid under current law and under the bill.

Exhibit 1 Per Capita State Aid Increases Under Legislation

<u>Fiscal Year</u>	<u>Regional Resource Centers</u>				<u>Local Public Library Systems</u>			
	<u>Current Law</u>	<u>Proposed</u>	<u>Diff.</u>	<u>% Diff.</u>	<u>Current Law</u>	<u>Proposed</u>	<u>Diff.</u>	<u>% Diff.</u>
2023	\$8.75	\$9.19	\$0.44	5%	\$17.10	\$17.50	\$0.40	2%
2024	8.75	9.39	0.64	7%	17.10	17.90	0.80	5%
2025	8.75	9.59	0.84	10%	17.10	18.30	1.20	7%
2026	8.75	9.79	1.04	12%	17.10	18.70	1.60	9%
2027	8.75	9.99	1.24	14%	17.10	19.10	2.00	12%

Source: Maryland State Library Agency; Department of Legislative Services

Required Services

Beginning January 1, 2024, the bill requires each public library to offer at least one of the following services alone or in partnership with units of government or nonprofit organizations:

- a program to increase scores on the State kindergarten assessment;
- a program designed to close learning gaps created by lack of access to education, including learning gaps that occurred during the COVID-19 pandemic;
- an initiative to expand digital equity and access to free computing and broadband Internet;
- an educational program providing technology instruction and skills, health literacy, instruction on operating a small business, and instruction on workforce development;
- serving as a community resource and distribution site during public emergencies;

- a program to reduce barriers to Science, Technology, Engineering, or Mathematics (known as “STEM”) education, including by providing activities, classes, programs, and events; and
- support for mental health and reducing social and physical isolation.

Current Law:

State Library Network

The State provides funds to libraries designated as resource centers, including the State Library Resource Center in Baltimore City and to regional resource centers, including the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown.

Minimum Per Capita Library Program (Library Aid Formula)

The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum per capita library program. Overall, the State provides 40% of the minimum program and the counties provide 60%. The State/local share of the minimum program varies by county depending on local wealth. However, no library board may receive less than 20% of the per capita minimum program from the State.

The local share of each library board’s minimum per capita program equals the local contribution rate multiplied by local wealth. The local contribution rate is a statewide rate representing the counties’ aggregate share of the minimum library program divided by total local wealth. Specifically, the local contribution rate equals the overall local share (60%) multiplied by the per capita program level multiplied by total State population and divided by total State wealth. The State’s share of each library board’s minimum per capita program equals the local share subtracted from the product of the per capita program and county population.

State Expenditures: Exhibit 1 shows the per capita aid increases under the bill.

The fiscal 2023 budget, as enacted (specifically [Supplemental Budget No. 4](#)), contains \$1.5 million of enhanced funding for regional resource centers and public library aid, contingent on the enactment of Senate Bill 448 or House Bill 685. (Likewise, the per capita funding amounts in the bill for fiscal 2023 conform to Supplemental Budget No. 4.)

State formula aid to regional resource centers increases by \$430,269 in fiscal 2023 and, based upon current projections for population growth, by \$1.2 million by fiscal 2027. State library program aid increases by \$1.0 million in fiscal 2023, and by \$5.2 million in fiscal 2027. Thus, total direct aid increases by \$1.5 million in fiscal 2024, and by \$6.4 million in fiscal 2027.

To the extent the additional funding is used to hire personnel and otherwise increase the statewide salary base for local library systems, State retirement expenditures may increase beginning in fiscal 2025. However, any such impact is not expected to be material.

Local Revenues: State formula aid to regional resource centers increases by \$430,269 in fiscal 2023, including an increase of \$155,360 for the Eastern Resource Center, \$164,198 for the Southern Resource Center, and \$110,711 for the Western Resource Center. State aid to regional resource centers increases by \$1.2 million by fiscal 2027, including an increase of \$440,480 for the Eastern Resource Center, \$480,212 for the Southern Resource Center, and \$311,885 for the Western Resource Center.

Local government funding under the library aid formula increases by \$1.0 million in fiscal 2023 and by \$5.2 million in fiscal 2027 as shown in **Exhibit 2**.

The increase in the library program per capita amount also increases the required minimum local funding amount under the library program. However, under current law, local governments tend to fund their local libraries above the minimum required level.

Exhibit 2
Estimated Increase in State Aid Under the Library Aid Formula

County	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Allegany	\$19,884	\$39,224	\$58,186	\$76,521	\$94,062
Anne Arundel	62,324	126,375	195,642	263,892	333,464
Baltimore City	152,018	301,749	449,590	593,086	731,236
Baltimore	168,080	336,430	510,662	684,585	858,777
Calvert	13,196	26,099	39,602	52,737	65,743
Caroline	8,250	16,351	24,517	32,552	40,519
Carroll	27,907	55,114	83,113	110,368	137,383
Cecil	21,128	42,584	64,305	85,888	107,046
Charles	30,339	60,398	92,415	124,700	158,761
Dorchester	7,858	15,530	23,257	30,819	38,286
Frederick	41,570	83,169	127,765	173,230	222,319
Garrett	4,150	8,054	11,880	15,354	18,629
Harford	46,364	94,151	143,633	193,284	242,584
Howard	26,586	53,786	85,286	117,245	152,227
Kent	2,716	5,348	7,966	10,400	12,600
Montgomery	84,965	171,446	259,464	349,039	440,192
Prince George's	199,439	398,625	606,215	815,656	1,034,235
Queen Anne's	4,579	9,028	13,725	18,080	22,376
St. Mary's	20,130	40,311	61,351	82,326	103,668
Somerset	7,395	14,635	21,742	28,633	35,339
Talbot	3,002	6,000	8,994	11,984	14,970
Washington	36,655	73,264	110,752	148,153	185,634
Wicomico	28,166	56,118	84,688	113,253	142,006
Worcester	4,197	8,410	12,639	16,885	21,147
Total	\$1,020,898	\$2,042,199	\$3,097,389	\$4,148,670	\$5,213,203

Source: Department of Legislative Services

Local Expenditures: As noted above, the bill requires local libraries to offer certain services beginning January 1, 2024. However, the Maryland State Library Agency advises the types of services specified in the bill are already performed by local libraries throughout the State. Therefore, this provision is not expected to have a material impact on local library expenditures.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 685 (Delegate C. Branch, *et al.*) - Ways and Means.

Information Source(s): Maryland State Library Agency; Department of Budget and Management; Department of Legislative Services

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