

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 378
(Senator Guzzone)
Budget and Taxation

Education - Regional Resource Centers and County 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 2028. The bill also alters the types of services that each public library must offer. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$1.9 million in FY 2028 and by \$8.0 million in FY 2031. Future year expenditures reflect *per capita* aid adjustments and population increases. Revenues are not affected. **This bill increases a mandated appropriation beginning in FY 2028.**

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.9	3.9	5.9	8.0
Net Effect	\$0.0	(\$1.9)	(\$3.9)	(\$5.9)	(\$8.0)

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 \$1.9 million in FY 2028 and by \$8.0 million in FY 2031. 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 \$0.30 in fiscal 2028; the increase escalates annually until fiscal 2032, when funding is increased by \$1.59 compared to current law. *Per capita* State aid for local public library systems is increased by \$0.61 in fiscal 2028; the increase escalates annually until fiscal 2032, when funding is increased by \$3.27 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

Fiscal Year	Regional Resource Centers				Local Public Library Systems			
	Current Law	Proposed	Diff.	% Diff.	Current Law	Proposed	Diff.	% Diff.
2028	\$9.99	\$10.29	\$0.30	3%	\$19.10	\$19.71	\$0.61	3%
2029	9.99	10.60	0.61	6%	19.10	20.35	1.25	7%
2030	9.99	10.92	0.93	9%	19.10	21.00	1.90	10%
2031	9.99	11.24	1.25	13%	19.10	21.67	2.57	13%
2032	9.99	11.58	1.59	16%	19.10	22.37	3.27	17%

Source: Maryland State Library Agency; Department of Legislative Services

Required Services

The bill alters current statutory provisions that require libraries to offer certain services. Specifically, each public library must offer at least one of the following services (alone or in partnership with units of government or nonprofit organizations):

- a program designed to increase early childhood literacy and learning, school readiness, literacy proficiency, and student success;
- an educational program that advances information literacy, technology instruction and skills, and economic, career, and workforce development;
- an initiative that increases digital equity and access to the Internet;
- serving as a community resource and distribution site during public emergencies (required under current law); and
- support for mental health and *personal well-being*.

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.

Required Services

Beginning January 1, 2024, each public library must 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.

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

The fiscal 2027 budget as introduced includes approximately \$52.0 million in general funds for public library aid and \$10.0 million for regional resource centers.

State formula aid to regional resource centers increases by \$302,833 in fiscal 2028 and, based upon current projections for population growth, by \$1.3 million by fiscal 2031. State library program aid increases by \$1.6 million in fiscal 2028, and by \$6.7 million in fiscal 2031. Thus, total direct aid increases by \$1.9 million in fiscal 2028, and by \$8.0 million in fiscal 2031. Fiscal year 2032 is the final year of the statutory phase-in of the *per capita* aid increases under the bill; expenditures thereafter reflect the fully phased-in funding level, subject to population changes.

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 2030. However, any such impact is not expected to be material.

Local Revenues: State formula aid to regional resource centers increases by \$302,833 in fiscal 2028, including an increase of \$110,258 for the Eastern Resource Center, \$116,645 for the Southern Resource Center, and \$75,931 for the Western Resource Center. State aid to regional resource centers increases by \$1.3 million by fiscal 2031, including an increase of \$469,650 for the Eastern Resource Center, \$500,384 for the Southern Resource Center, and \$322,394 for the Western Resource Center.

Local government funding under the library aid formula increases by \$1.6 million in fiscal 2028 and by \$6.7 million in fiscal 2031 as shown in **Exhibit 2**. Under the bill, fiscal year 2032 is the final year of the statutory phase-in of the *per capita* aid increases.

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 2027	FY 2028	FY 2029	FY 2030	FY 2031
Allegany	\$0	\$29,157	\$60,151	\$90,875	\$123,247
Anne Arundel	-	108,415	232,379	342,476	471,668
Baltimore City	-	219,975	454,205	683,098	925,217
Baltimore	-	257,032	536,682	804,639	1,096,750
Calvert	-	21,454	45,425	67,596	92,588
Caroline	-	12,680	26,326	39,700	54,042
Carroll	-	43,258	90,431	133,592	181,333
Cecil	-	32,958	69,470	105,307	144,959
Charles	-	48,402	102,336	154,390	212,822
Dorchester	-	11,714	24,259	36,399	49,402
Frederick	-	68,322	145,098	216,251	297,926
Garrett	-	3,454	7,092	10,798	14,633
Harford	-	73,241	153,651	229,978	314,154
Howard	-	44,362	97,491	141,680	197,338
Kent	-	4,416	9,313	13,801	18,865
Montgomery	-	132,620	273,611	418,720	570,228
Prince George's	-	295,570	615,345	920,355	1,251,447
Queen Anne's	-	7,252	15,354	21,430	28,837
St. Mary's	-	32,286	68,454	103,621	143,093
Somerset	-	11,189	23,057	34,806	47,192
Talbot	-	4,683	9,618	14,653	19,865
Washington	-	53,274	111,344	168,209	230,401
Wicomico	-	42,555	88,921	135,496	185,909
Worcester	-	6,690	13,817	21,168	28,858
Total	\$0	\$1,564,959	\$3,273,830	\$4,909,038	\$6,700,774

Source: Department of Legislative Services

Local Expenditures: As noted above, the bill requires local libraries to offer certain services in lieu of those required under current law. However, the Maryland State Library Agency advises the types of services specified in the bill are already performed by local libraries throughout the State. The repeal of the existing service requirements is also not assumed to affect overall library expenditures. Therefore, this provision is not expected to have a material impact on local library expenditures.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Association of Counties; Comptroller's Office; Maryland State Library Agency; Department of Budget and Management; Department of Legislative Services

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jg/clb

Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510