

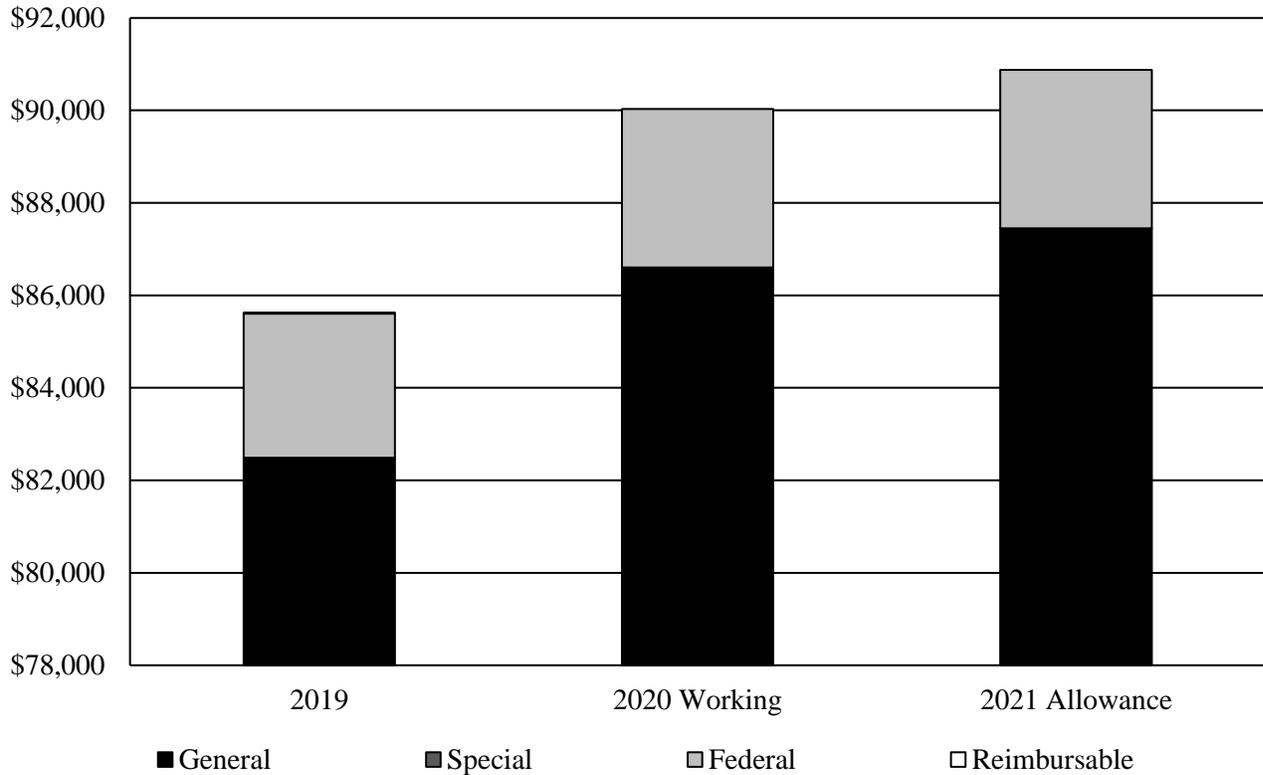
## Maryland State Library Agency

### Program Description

Chapters 337 and 338 of 2017 established the Maryland State Library Agency (MSLA) as an independent agency that provides strategic leadership, resources, and programmatic support and administers State and federal funds to Maryland libraries in order to support their mission of offering outstanding resources, programs, and excellent customer service. Responsibilities include oversight of the Maryland State Library for the Blind and Physically Handicapped (LBPH), Maryland’s 24 public library systems, the State Library Network, the Public Library Capital Grant Program, and the Deaf Culture Digital Library. The agency is governed by the 12 member Maryland State Library Board.

### Operating Budget Summary

**The Fiscal 2021 Budget Increases by \$843,000 or 0.9% to \$90.9 Million (\$ in Thousands)**



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

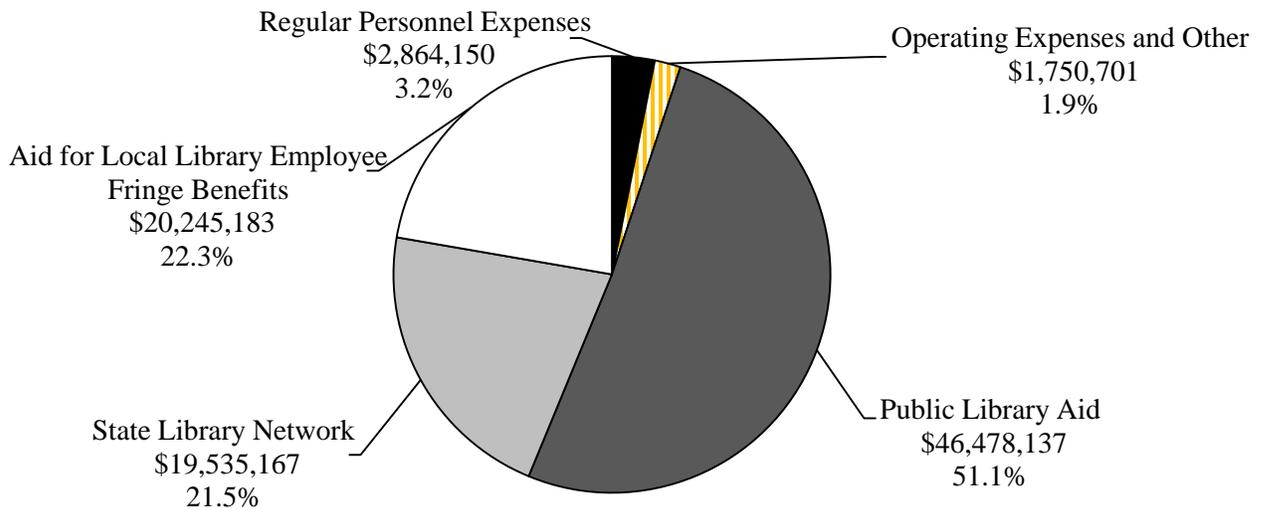
## Fiscal 2020

The fiscal 2021 budget plan assumes a general fund reversion of \$787,872 in fiscal 2020 of funds for the Montgomery County Public Library retirement system.

## Fiscal 2021 Overview of Agency Spending

As shown in **Exhibit 1**, the total adjusted fiscal 2021 allowance for MSLA is \$90.9 million and consists primarily of grants and aid programs provided by the State. Public Library Aid makes up 51.1% of the fiscal 2021 allowance at \$46,478,137. Aid for Local Library Employee Fringe Benefits and the State Library Network are the two other large areas of grant and aid funding, representing 22.3% and 21.5% of the total fiscal 2021 allowance at \$20,245,183 and \$19,535,167, respectively. Personnel expenses make up a total of \$2,864,150, or 3.2% of the fiscal 2021 allowance, and the remaining 1.9%, or \$1,750,701, funds the agency’s operating expenses and other miscellaneous items.

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2021 Allowance**



Source: Governor’s Proposed Budget

## Proposed Budget Change

As shown in **Exhibit 2**, the total adjusted fiscal 2021 allowance increases by a total of \$843,000, or 0.9%, from the fiscal 2020 working appropriation. There is 1 new position provided to the agency in the fiscal 2021 allowance that is the result of a contractual conversion, a program manager position for the agency’s central office. The total increase in regular personnel expenses, including the costs associated with this contractual conversion, is \$247,581. The reduction in spending for contractual personnel as a result of the conversion totals \$118,268.

**Exhibit 2**  
**Proposed Budget**  
**Maryland State Library Agency**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2019 Actual	\$82,482	\$4	\$3,121	\$18	\$85,624
Fiscal 2020 Working Appropriation	86,604	0	3,426	0	90,030
Fiscal 2021 Allowance	<u>87,447</u>	<u>0</u>	<u>3,427</u>	<u>0</u>	<u>90,873</u>
Fiscal 2020-2021 Amount Change	\$842	\$0	\$1	\$0	\$843
Fiscal 2020-2021 Percent Change	1.0%	0%	0%	0%	0.9%
<b>Where It Goes:</b>					<b><u>Change</u></b>
<b>Personnel Expenses</b>					
Regular salaries, including addition of 1 regular position.....					\$126
Retirement contributions .....					48
Employee and retiree health insurance.....					33
Fiscal 2021 2% cost-of-living adjustment (COLA) salary increase.....					22
Fiscal 2021 costs of annualized fiscal 2020 COLA and fiscal 2020 salary increase.....					10
Social Security contributions.....					9
<b>Other Changes</b>					
Public Library Aid.....					847
Maryland State Library Network.....					439
Department of Information Technology services allocation .....					67
Costs associated with new headquarters building .....					60
Other.....					31
Other contractual services – Library for the Blind and Physically Handicapped.....					-98
Reduction of 1 full-time equivalent contractual position .....					-118
Aid for Local Library Employee Fringe Benefits, including fiscal 2020 reversion.....					-633
<b>Total</b>					<b>\$843</b>

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

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Grant expenditures under the agency’s three main aid programs decrease by a total of \$135,278 in the fiscal 2021 allowance. This decrease is driven by reductions in Aid for Local Library Employee Fringe Benefits that, after taking into account the fiscal 2020 planned reversion, total \$633,039 and include a reduction of \$387,834 to grants to the Montgomery County Public Library retirement system and a \$215,146 reduction in Teacher’s Retirement and Pension System grants. Grants to Public Library Aid and the State Library Network both increase by \$847,097 and \$438,536, respectively.

The remaining changes to the budget consist of largely offsetting changes in operating expenses. The largest changes are a \$97,734 decrease in contractual services for LBPH, a \$66,865 increase in the Department of Information Technology services allocation, and a \$60,087 increase in rent associated with the agency’s new headquarters building in Baltimore City. Other cost increases totaled approximately \$32,000.

***Personnel Data***

	<b><u>FY 19 Actual</u></b>	<b><u>FY 20 Working</u></b>	<b><u>FY 21 Allowance</u></b>	<b><u>FY 20-21 Change</u></b>
Regular Positions	28.00	30.00	31.00	1.00
Contractual FTEs	<u>2.00</u>	<u>1.00</u>	<u>0.00</u>	<u>-1.00</u>
<b>Total Personnel</b>	<b>30.00</b>	<b>31.00</b>	<b>31.00</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	1.81	5.85%
Positions and Percentage Vacant as of 12/31/19	3.00	10.00%
Vacancies Above Turnover	1.19	

- There is an increase of 1 regular position in the fiscal 2021 allowance as a result of a contractual conversion of an existing program manager position. As a result of the conversion, 1 contractual full-time equivalent position was eliminated.

## Key Observations

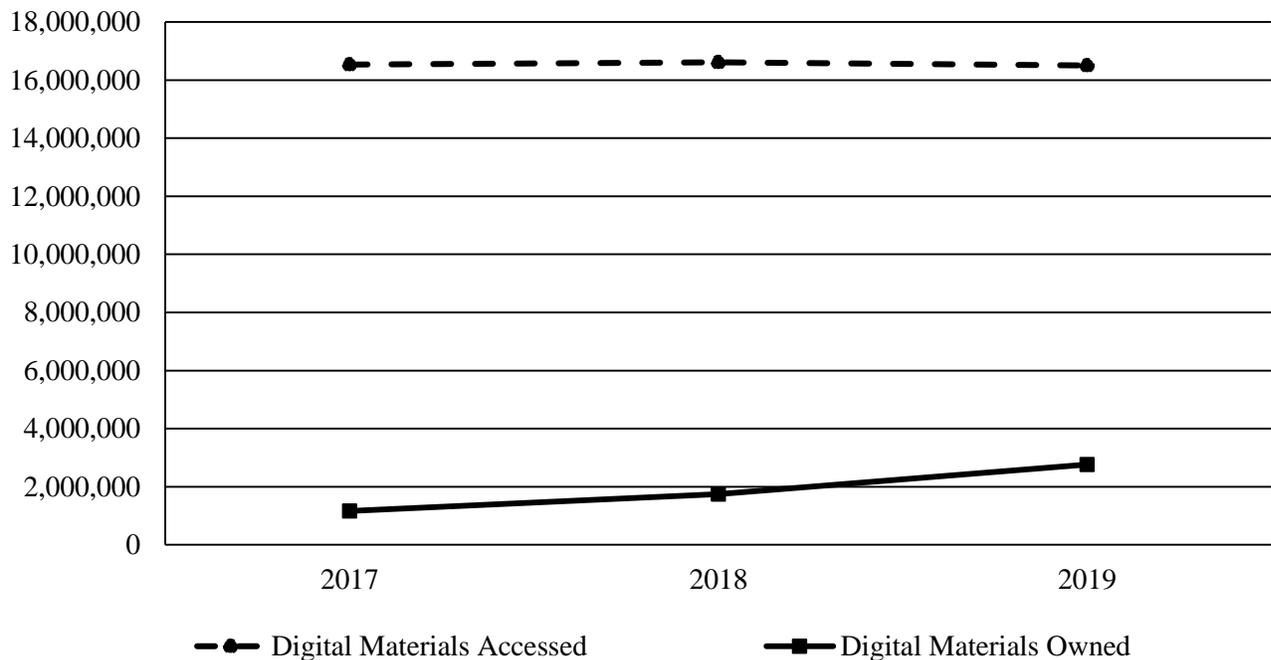
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### 1. Increase in Digital Materials Accessed and Owned by Maryland Libraries

The number of digital materials owned and accessed at Maryland libraries has grown significantly over the past decade. Following a national trend, Maryland libraries have continued to enhance their digital collections as demand for these materials grows. As shown in **Exhibit 3**, the number of digital materials owned by Maryland libraries increased by over 1 million items in fiscal 2019 to 2.7 million items. The number of digital materials accessed has also grown significantly in recent years to 16.5 million items in fiscal 2019. This number saw a slight decrease in fiscal 2019 but remained similar to the previous two fiscal years. This decrease was primarily a result of changes made to the method in which data is captured and recorded, as libraries continue to work toward standardizing the way in which data related to digital collections is measured. Digital material access in Maryland libraries is expected to remain steady and slightly increase in future years as demand continues to grow for these materials.

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**Exhibit 3**  
**Digital Materials**  
**Fiscal 2017-2019**



Source: Managing for Results, Maryland State Library Agency

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One recent development that may impact these numbers, however, is the implementation of new e-book purchasing restrictions by Macmillan Publishers, effective November 1, 2019. Under this new policy, only a single digital copy of a new book published by Macmillan Publishers may now be purchased by a library system during the first eight weeks following its publication. Print copies are not subject to the same limitations, and this policy only applies to libraries.

Macmillan Publishers argues that this new policy is necessary due to its concerns that increased borrowing of e-books will cause the value of books and sales of both e-books and regular books to decrease. MSLA, the Maryland Library Association, the American Library Association (ALA), and the library community as a whole strongly oppose this policy due to the concern that limits on the number of copies of e-books that libraries may purchase will result in reduced access of digital materials by library patrons. This concern is compounded by the fact that digital materials continue to be an increasing and sizable percentage of overall library circulation.

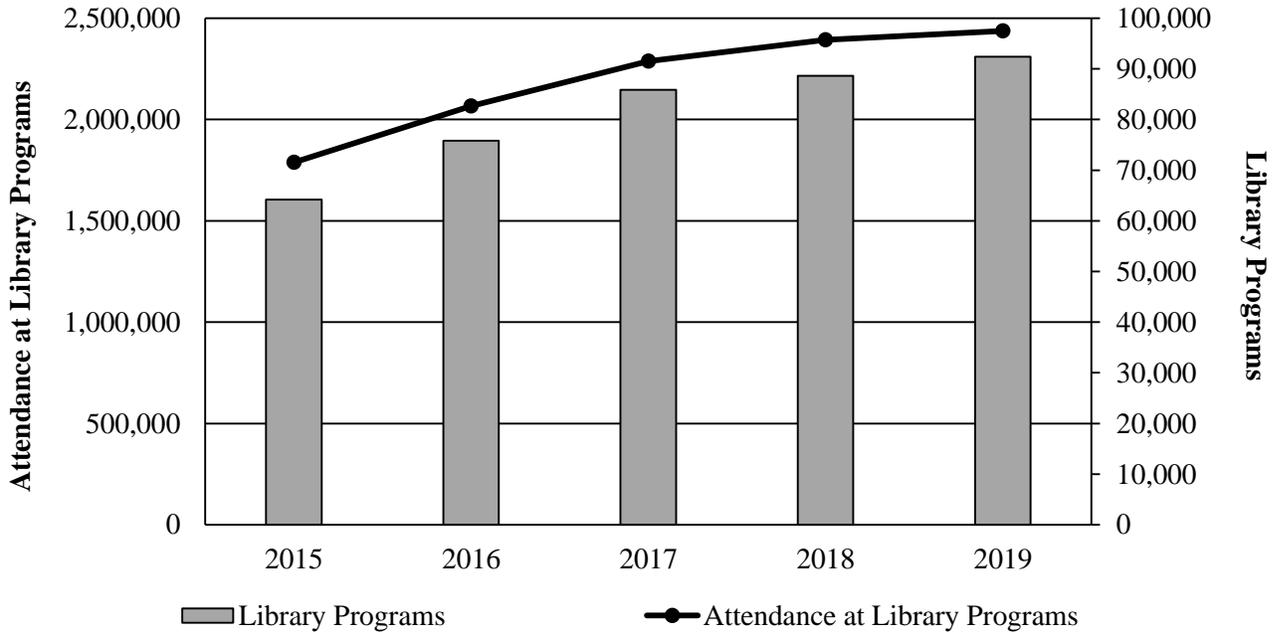
The agency is also concerned that although Macmillan Publishers is currently the only publisher to adopt these restrictions, as one of the “Big Five” publishing companies in the United States, it may encourage other publishers to adopt similar policies in the future. This may further limit patrons, who rely on their local libraries for access to reading material, equal access to digital materials as individuals who are able to purchase materials themselves.

Although the Maryland e-book consortium and Maryland libraries have not taken formal actions in response to this policy, about 30 library systems around the country representing over 27 million residents have agreed to boycott Macmillan Publishers e-books. Additionally, over 200,000 people have signed the ALA’s #ebooksforall online petition.

## **2. Increases in Library Programming and Program Attendance**

**Exhibit 4** provides the increases in the number of library programs and the attendance for this programming. Maryland libraries have continued to expand their program offerings, following a national trend of increased demand for no-cost, engaging, educational programming that serves the needs of local communities. Attendance at library programs is also increasing across the board, as libraries remain an important part of communities and providers of essential services. Statewide, Maryland libraries offered 92,395 programs in fiscal 2019 with a total program attendance of 2,437,526.

**Exhibit 4**  
**Library Programming and Attendance**  
**Fiscal 2015-2019**

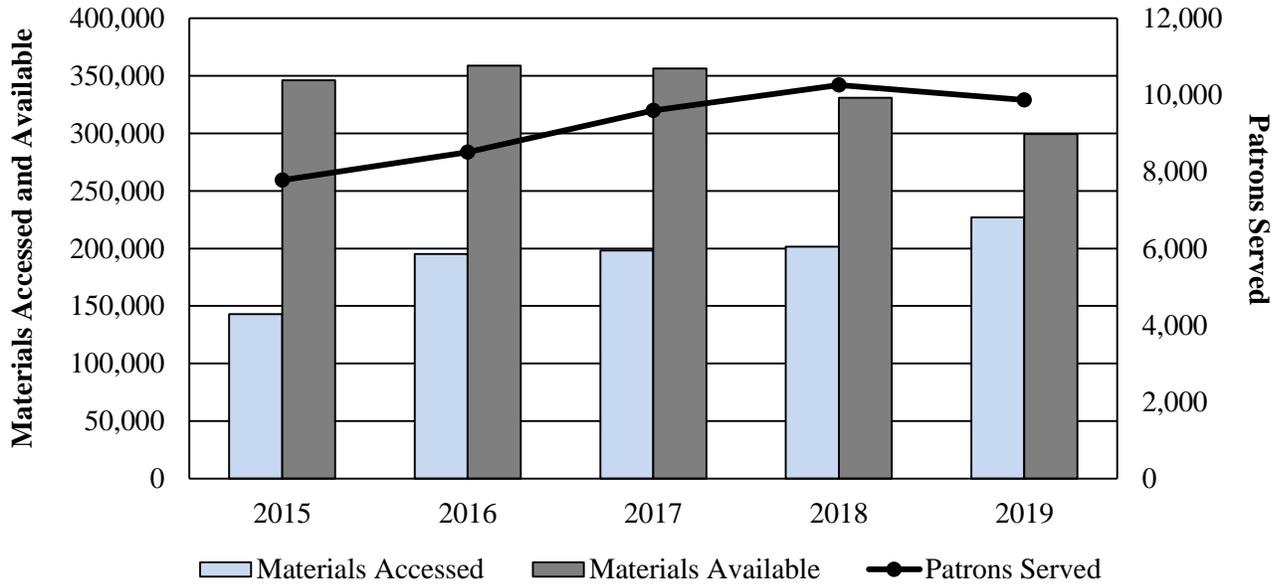


Source: Managing for Results, Maryland State Library Agency

### 3. Library for the Blind and Physically Handicapped

LBPH is responsible for coordinating statewide library services for blind, visually impaired, physically disabled, and reading disabled Maryland residents and for institutions serving these individuals. Although the number of materials accessed through LBPH increased in fiscal 2019 to 227,079, the number of materials available through LBPH has trended downward in recent years, as shown in **Exhibit 5**. However, this is primarily due to the fact that this measurement only includes the library’s physical collection and does not include digital download titles. The number of physical materials has decreased as some older materials that were only available on cassette have been transferred to digital files available for download from the Braille and Audio Reading Download service.

**Exhibit 5**  
**LBPH Materials Owned, Accessed, and Patrons Served**  
**Fiscal 2015-2019**



LBPH: Library for the Blind and Physically Handicapped

Source: Managing for Results, Maryland State Library Agency

The total number of LBPH patrons served declined slightly in fiscal 2019 to 9,872 after an increase the previous year but has generally trended upward since fiscal 2015 and is projected to increase in future years. The noticeable increase that occurred in fiscal 2018 was due to increased referrals and new patrons resulting from a major national marketing campaign conducted by the Library of Congress’s National Library Service for the Blind and Print Disabled. LBPH continues to conduct targeted outreach programs to groups of potential patrons, and attendance at these programs increased noticeably in fiscal 2019.

## ***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance.

**Appendix 1  
Object/Fund Difference Report  
Maryland State Library Agency**

<u>Object/Fund</u>	<u>FY 19 Actual</u>	<u>FY 20 Working Appropriation</u>	<u>FY 21 Allowance</u>	<u>FY 20 - FY 21 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	28.00	30.00	31.00	1.00	3.3%
02 Contractual	2.00	1.00	0.00	-1.00	-100.0%
<b>Total Positions</b>	<b>30.00</b>	<b>31.00</b>	<b>31.00</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 2,477,341	\$ 2,606,857	\$ 2,822,458	\$ 215,601	8.3%
02 Technical and Spec. Fees	175,118	120,003	1,735	-118,268	-98.6%
03 Communication	20,997	17,076	16,949	-127	-0.7%
04 Travel	69,259	78,978	86,892	7,914	10.0%
06 Fuel and Utilities	98,383	125,000	125,000	0	0%
07 Motor Vehicles	16,100	17,000	17,000	0	0%
08 Contractual Services	759,387	871,920	856,278	-15,642	-1.8%
09 Supplies and Materials	112,548	128,497	124,079	-4,418	-3.4%
10 Equipment – Replacement	70,119	48,638	53,638	5,000	10.3%
11 Equipment – Additional	9,750	10,000	15,000	5,000	50.0%
12 Grants, Subsidies, and Contributions	81,801,549	86,702,497	86,567,219	-135,278	-0.2%
13 Fixed Charges	13,945	81,746	145,398	63,652	77.9%
<b>Total Objects</b>	<b>\$ 85,624,496</b>	<b>\$ 90,808,212</b>	<b>\$ 90,831,646</b>	<b>\$ 23,434</b>	<b>0%</b>
<b>Funds</b>					
01 General Fund	\$ 82,481,578	\$ 87,385,214	\$ 87,415,890	\$ 30,676	0%
03 Special Fund	4,240	0	0	0	0.0%
05 Federal Fund	3,120,668	3,422,998	3,415,756	-7,242	-0.2%
09 Reimbursable Fund	18,010	0	0	0	0.0%
<b>Total Funds</b>	<b>\$ 85,624,496</b>	<b>\$ 90,808,212</b>	<b>\$ 90,831,646</b>	<b>\$ 23,434</b>	<b>0%</b>

Note: The fiscal 2020 appropriation does not include deficiencies, planned reversions, or general salary increases. The fiscal 2021 allowance does not include contingent reductions or general salary increases.