

RA11
Maryland State Library Agency – Capital

Capital Budget Summary

Grant and Loan *Capital Improvement Program*
(\$ in Millions)

Program	2022 Approp.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.
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Public Library Capital Grant Program	\$7.500	\$7.500	\$7.500	\$7.500	\$7.500	\$7.500
Total	\$7.500	\$7.500	\$7.500	\$7.500	\$7.500	\$7.500

Fund Source	2022 Approp.	2023 Request	2024 Est.	2025 Est.	2026 Est.	2027 Est.
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GO Bonds	\$5.000	\$7.500	\$7.500	\$7.500	\$7.500	\$7.500
PAYGO GF	2.500	0.000	0.000	0.000	0.000	0.000
Total	\$7.500	\$7.500	\$7.500	\$7.500	\$7.500	\$7.500

GF: general funds
GO: general obligation
PAYGO: pay-as-you-go

GO Bond Recommended Actions

1. Approve the \$7,500,000 in general obligation bond funding for the Public Library Capital Grant Program.

Budget Overview of Grant and Loan Programs

The fiscal 2023 capital allocation for the Public Library Capital Grant Program totals \$7.5 million as mandated by Chapter 27 of 2021. The General Assembly passed legislation in the 2020 session increasing the mandated annual funding level for the program to \$7.5 million to begin in fiscal 2022. Although Governor Lawrence J. Hogan, Jr. vetoed the bill, the legislature overrode his veto in the 2021 legislative session. The Administration addressed the increased mandated funding level for fiscal 2022 through a supplemental budget adding \$2.5 million to the program, which accounts for the general funds budgeted in fiscal 2022.

In fiscal 2023, the proposed budget includes six projects with grants ranging from \$120,000 to \$2.5 million. The estimated total cost of these projects is \$41.7 million, including \$5.85 million in prior authorizations and \$2.6 million in projected future requests. Three projects received funds in fiscal 2022, and three projects are newly funded in fiscal 2023. Though projects are eligible for a State match of between 50% to 90% of the total project cost as determined by a cost-sharing formula, the State funding share may be lower. The review committee often does not recommend fully funding a project request to ensure geographic diversity in the allocation of funds. **Exhibit 1** shows the six projects funded in fiscal 2023.

Exhibit 1
Public Library Capital Grant Program Project List
Fiscal 2023
(\$ in Thousands)

<u>County</u>	<u>Project Description</u>	<u>Estimated Total Cost</u>	<u>Prior Auth.</u>	<u>2023 Request</u>	<u>Future Request</u>	<u>Total State Share</u>
Calvert	New Twin Beaches Library – Construct a new 17,788 GSF facility to replace the current leased space in Chesapeake Beach.	\$9,910	\$2,550	\$2,500	\$0	51%
Caroline	Denton Library Renovation – Renovate the first floor of the Central Library.	1,289	101	917	0	79%
Frederick	New Middletown Library – Construct a new 15,250 GSF facility in Middletown to replace the existing 2,917 GSF facility.	8,420	2,609	1,000	0	43%
Harford	Bel Air Library Renovation – Renovate the 53,964 SF Bel Air Library.	16,043	0	1,414	1,070	16%
Prince George's	Baden Library Relocation and Renovation – Renovate the 4,910 SF former Baden Health Center into public library space.	2,772	250	1,549	0	69%
Talbot	St. Michaels Library Renovation and Expansion – Renovate and expand the existing 7,716 SF St. Michaels Library.	3,296	0	120	1,528	50%
Total		\$41,730	\$5,760	\$7,500	\$2,598	

GSF: gross square foot

SF: square foot

Source: Department of Budget and Management

Calvert County – Twin Beaches Library

The budget provides a grant of \$2.5 million in fiscal 2023 to complete construction of the new Twin Beaches Library. This project has a State cost share of 51%. The new library will be a 17,778 gross square foot (GSF) facility located in North Beach and will replace 4,620 GSF of leased space in Chesapeake Beach. The current space is undersized to meet the area's population and projected population growth. This project will create new meeting, study, and tutoring rooms, as well as a dedicated area for children's programming. The current facility is also not Americans with Disabilities Act (ADA) compliant, which the project will address.

This project first received funding in fiscal 2020 with a \$300,000 grant for the design phase. Due to delays in the transfer of a parcel of land from the town of North Beach to Calvert County, a design contract was not awarded until February 2020, and consequently, no additional State funds were authorized in fiscal 2021. The project received an additional \$2.25 million program grant in fiscal 2022 to support the construction phase. It was then anticipated the project would receive an additional \$1.5 million grant in fiscal 2023, but the budget as introduced provides an additional \$2.5 million from the State. This brings the total State contribution to \$5.5 million. The total cost of the project is currently set at \$9.9 million based on the county's award of the construction contract in May 2021. This represents an increase of \$2.1 million above the fiscal 2020 estimate when the project first received State funds and \$800,000 above the estimate supporting the fiscal 2022 State grant. This is partially due to the discovery that additional structural support would be needed to build on the planned site and the high construction inflation impacting project costs throughout the State. No future State funds are anticipated in support of the project. Bids were due on February 11, 2022; the project is expected to begin in May 2022 and completed in summer 2023.

Caroline County – Denton Library

The budget provides a fiscal 2023 grant of \$917,000 to complete renovation of the first floor of the Central Library. The project will reconfigure the library's layout; replace and upgrade the building's mechanical, electrical, and fire alarm systems; improve lighting; and reconfigure and construct additional restroom facilities. The total cost of the project is estimated at \$1.3 million, and the State's share of the project is 79%. Caroline County plans to use a private bequest to fund its share of the project. Project design began in July 2021, and the project is expected to be completed in April 2023. Fiscal 2023 is the final year of funding for this project.

Frederick County – Middletown Library

The budget provides a fiscal 2023 grant of \$1.0 million in to start construction on a new library in Middletown. The new facility will be 15,250 GSF and will replace the existing 2,917 GSF facility, which is vastly undersized for the needs of the community. The new facility will provide expanded meeting and programming space, expanded storage and restroom facilities, private study rooms, and dedicated teen and early literacy spaces. The total cost for this project is now projected at \$10.0 million, which is an increase from what was projected in the 2021 session when the project received a grant of

\$2.3 million to support the construction phase. With the proposed fiscal 2023 grant, the State's total share of the project is \$3.6 million, representing 36% of total project costs. Construction will begin in May 2022 and should be completed by summer 2023. Fiscal 2023 is the final year of funding for this project.

Harford County – Bel Air Library

The budget provides a fiscal 2023 grant of \$1.4 million to support the renovation of the 53,964 square foot (SF) Bel Air Library. Fiscal 2023 is the first year of funding for this project, which has a projected total cost of \$16.0 million and a State cost share of 16%. The renovated facility is part of the county's 2019 Library Strategic Plan, which focuses on several objectives including customer experience, flexible spaces, and services. The Bel Air branch is the busiest branch in the system with approximately 27% of total activity, including circulation, walk-ins, programming, and attendance. The existing space is functionally inadequate and inappropriately configured for modern library services. The building will be renovated to provide flexible spaces that will allow for better services and an enhanced customer experience. The fiscal 2023 funds support the design phase; future requests for construction currently total \$1.1 million.

Prince George's County – Baden Library

The budget provides a fiscal 2023 grant of \$1.5 million for the relocation and renovation of Baden Library. Fiscal 2023 is the first year of funding for this project, which has a projected total cost of \$2.8 million and a State cost share of 69%. This request is to renovate the 4,910 SF former Baden Health Center into public library space for the Baden branch, which is currently located in 2,500 SF inside the adjacent Baden Elementary School. The current branch library does not have public restrooms or meeting space and is only open when there are school personnel on site. This project will replace the windows, doors, roof, and the heating, ventilation, and air conditioning system as well as build out the interior with public spaces including a meeting room, a staff office, mechanical room, and restrooms. This request is for construction, which is scheduled to start in August 2022 and be completed by April 2023. Fiscal 2023 is the only current funding request for this project.

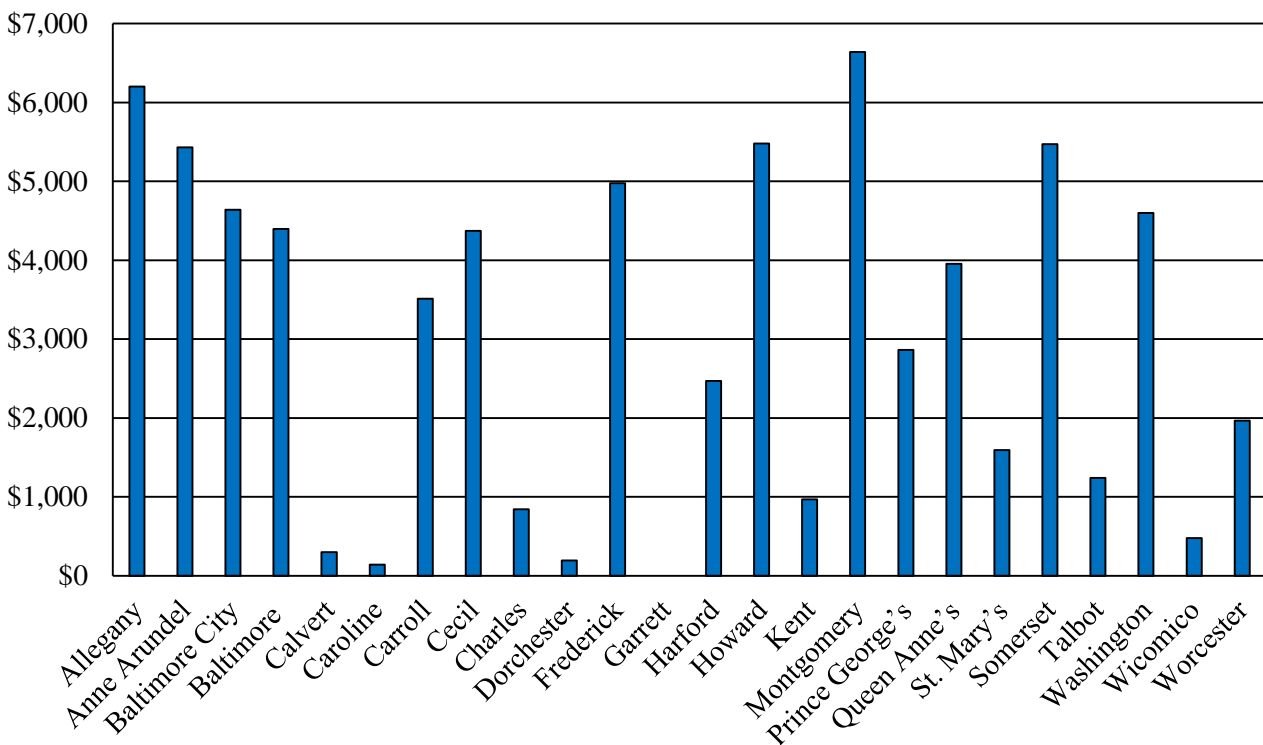
Talbot County – St. Michaels Library

The budget provides a grant of \$120,000 for the renovation and expansion of St. Michaels Library. Fiscal 2023 is the first year of funding for this project, which has a projected total cost of \$3.3 million and a State cost share of 50%. The project will add 3,071 SF, which is a 40% increase in size, and result in a fully renovated 10,787 SF facility. This project is necessary because part of the original facility's infrastructure is over 40 years old; has insufficient spaces for large community meetings, collections, and technology; and is not fully ADA compliant. The fiscal 2023 request is for design; \$1.5 million in additional funds will be requested in future years for construction, which is expected to start in March 2024 and finish in July 2025.

Performance Measures and Outputs

Since fiscal 2019, total requests for library capital funds have averaged approximately \$9.7 million per year, with a range from \$7.6 to \$11.2 million per year and an average shortfall of \$3.2 million from the allowance. **Exhibit 2** shows a total of \$72.8 million in allocations for the library capital program from fiscal 2008 to 2022. In that time period, Montgomery County has received the largest share of total allocations (\$6.6 million), followed by Allegany County (\$6.2 million), Somerset and Howard counties (\$5.5 million), and Anne Arundel County (\$5.4 million). During this period, Garrett County has not received any funds from this program.

Exhibit 2
Total Public Library Capital Grant Allocation
Fiscal 2008-2022
(\$ in Thousands)



Source: Maryland State Library Agency

Program Description

The Maryland State Library Agency (MSLA) provides strategic leadership, resources, and programmatic support and administers State and federal funds to Maryland public libraries. Chapters 337 and 338 of 2017 established MSLA as an independent State agency. MSLA oversees the Public Library Capital Grant Program, which serves the 24 public library systems across the State. Many of these branches need replacement, renovation, or alteration. The State is also responsible for paying the capital expenses for the State Library Resource Center and for three regional library resource centers.

Public Library Capital Grant Program

The Public Library Capital Grant Program was established by Chapter 494 of 2006 and awarded its first grants in fiscal 2008. The program provides funds to local libraries for capital improvements to existing libraries or construction of new facilities. Starting in fiscal 2023, \$7.5 million in annual funding for the program is mandated either in the capital budget or the operating budget. To apply for a grant, local public library systems must develop a countywide library plan and produce a master plan describing the capital projects approved by the applicant's governing body. MSLA reviews applications and submits recommendations to the State Library Board for approval. This list of approved projects is then forwarded to the Department of Budget and Management for review and inclusion into the budget. Grants from the program require a match from any combination of county, municipal, or private sources. State grants may not be less than \$20,000. Library systems may request funding up to a maximum percentage of a project's cost. This maximum percentage is calculated for local library systems by the wealth-based cost-sharing formula in statute and ranges from 50% to 90%, based on that jurisdiction's wealth.

The statute outlines the criteria to be used to make funding recommendations:

- the public necessity and urgency of a project;
- the need for additional sources of funding for a project;
- the estimated cost and timeliness of executing a project;
- the viability of matching funds for a project; and
- geographic diversity.