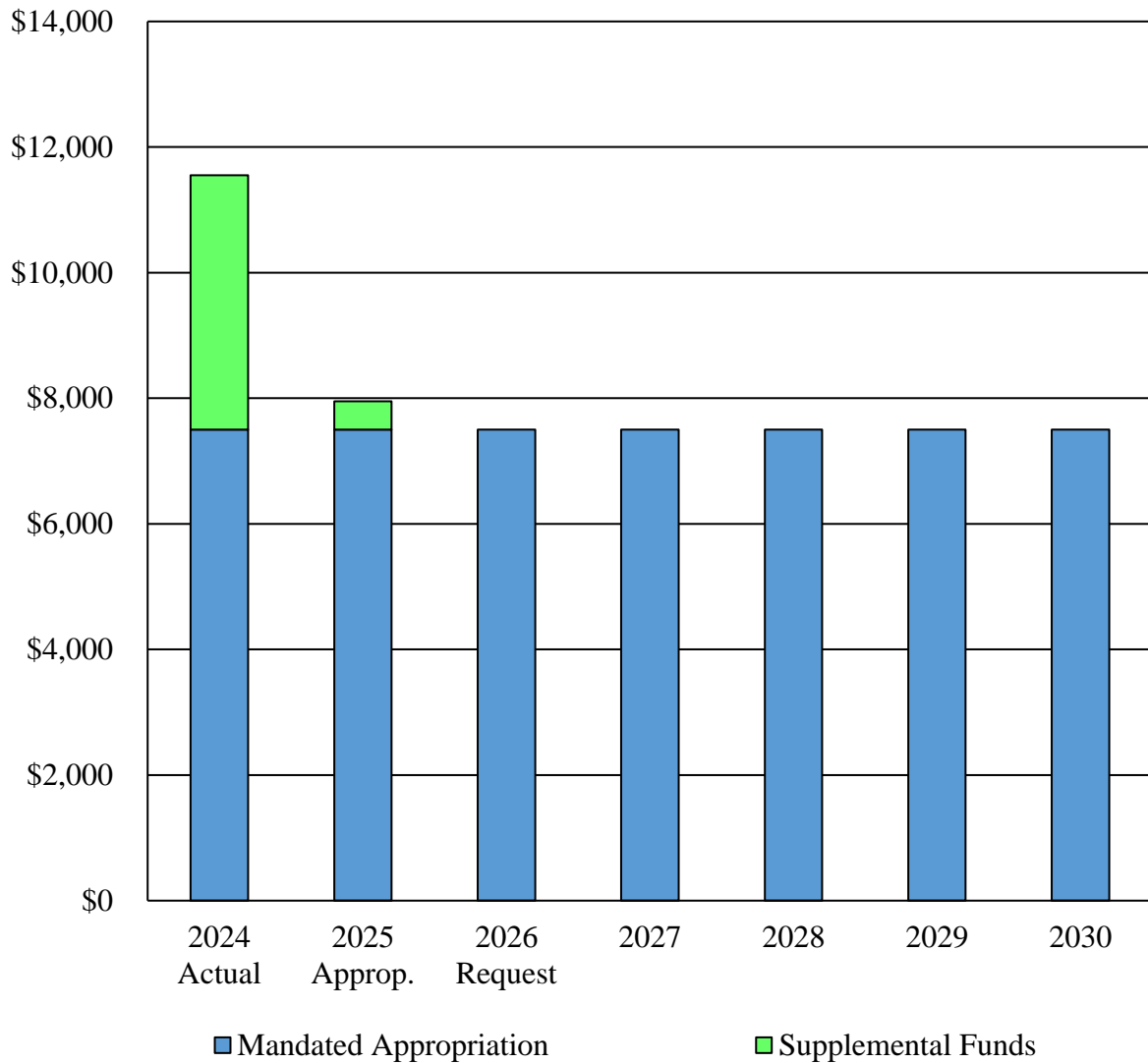


**RA11**  
**Maryland State Library Agency – Capital**

***Capital Budget Summary***

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**Public Library Capital Grant Program**  
***Capital Improvement Program***  
**Fiscal 2024-2030**  
**(\$ in Thousands)**



Note: All funds are general obligation bonds. The mandated amount per Chapter 27 of 2021 is \$7.5 million.

Source: Department of Budget and Management

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## ***Key Observations***

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- ***Fiscal 2026 Funding Meets the Statutory \$7.5 Million Allocation:*** In recent years, the Governor’s allowance and final authorization have exceeded the mandated \$7.5 million allocation. However, for fiscal 2026 and throughout the five-year *Capital Improvement Program*, the Governor’s budget adheres to the statutory requirement of \$7.5 million. The fiscal 2026 allowance supports nine projects across nine jurisdictions, funding new library construction, expansions, renovations, Americans with Disabilities Act (ADA) compliance, HVAC replacements, energy efficiency upgrades, security enhancements, and dedicated spaces for technology training and youth services.
- ***Expiration of State Share Adjustments:*** Chapter 362 of 2022 temporarily increased the State share of funding for county library capital projects to support jurisdictions with limited fiscal capacity. The provision, set to expire on June 30, 2025, allowed counties with a median household income in the bottom quartile and a standard 50% State share to qualify for an adjustment. Garrett County was the only jurisdiction that met this criteria, enabling it to access funding under the Public Library Capital Grant Program by using Allegany County’s lower local match requirement. As a result, Garrett County secured funding for multiple fiscal years, including a proposed \$1.1 million award in fiscal 2026 for the Friendsville Branch project. The Board of Public Works (BPW) has approved previous grants, and final approval for the fiscal 2026 award is expected before the provision expires.

## ***GO Bond Recommended Actions***

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1. Approve the general obligation bond authorization for the Public Library Capital Grant Program.

## ***Budget Overview of Grant and Loan Programs***

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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, Chapter 27 of 2021 mandated \$7.5 million in annual funding for the program 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. The Maryland State Library Agency (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 in the budget. Grants from the program require a match from any combination of county,

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municipal, or private sources. This maximum State share 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.

**Exhibit 1** shows library funding in the Governor’s budget as introduced. The fiscal 2026 capital allocation for the Public Library Capital Grant Program totals \$7.5 million as mandated by Chapter 27. The allowance funds nine projects supporting new library construction, expansions, renovations, ADA compliance, HVAC replacements, energy efficiency upgrades, security enhancements, and dedicated spaces for technology training and youth services.

**Exhibit 1**  
**Public Library Capital Grant Program Project List**  
**Fiscal 2026**  
**(\$ in Thousands)**

<u>Project Description</u>	<u>Estimated Total</u>	<u>Prior Auth.</u>	<u>2026 Request</u>	<u>Future Request</u>	<u>Total State Share</u>
<b>New Park Heights Library (Baltimore City)</b> – Construct a new 16,280 SF facility in the northwest Baltimore community of Park Heights. The State previously provided \$5.0 million for this project outside of the grant program.	\$17,934	\$5,000	\$249	\$321	31.1%
<b>North Point Library HVAC Replacement (Baltimore County)</b> – Replace the existing HVAC installed in 2001. It has reached the end of its useful life. It needs regular repair and maintenance, and service disruptions impact customer comfort and regular branch operations.	3,262	0	250	859	34.0%

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<u>Project Description</u>	<u>Estimated Total</u>	<u>Prior Auth.</u>	<u>2026 Request</u>	<u>Future Request</u>	<u>Total State Share</u>
<p><b>Elkton Library Renovation and Expansion (Cecil)</b> – Renovate and expand the 25,000 SF existing library to address multiple mechanical failures, improve energy efficiency, enhance safety for visitors and staff, and modernize service delivery and layout. Additional funds will be requested in fiscal 2027 to complete the project.</p>	6,801	0	1,550	2,610	61.2%
<p><b>New West Frederick Library (Frederick)</b> – Construct a new 15,000 SF facility to serve the west side of the City of Frederick, where no library currently exists. The project has received support from the City of Frederick, which is the site. Design is being funded by Frederick County. The fiscal 2026 budget is to begin construction, and additional funds will be requested in fiscal 2027 to complete the project.</p>	10,253	0	831	3,633	43.5%
<p><b>New Friendsville Library (Garrett)</b> – Construct a new 5,500 SF facility to replace the existing 2,800 SF building. The current facility is inadequate in terms of insulation, ADA access, electrical infrastructure, and size and lacks a meeting room for community events. The prior authorizations included funding for acquisition, design, construction, and equipping. The fiscal 2026 budget includes funding to complete the project.</p>	4,713	3,168	1,116	0	90.9%
<p><b>Chestertown Library Roof Replacement (Kent)</b> – Replace the existing roof with a mechanically seamed metal roof system. The roof is in disrepair and has experienced multiple instances of leakage in recent years, causing significant damage to the facility and disrupting operations. The fiscal 2026 budget includes funding to complete the project.</p>	598	0	299	0	50.0%
<p><b>New Clarksburg Library (Montgomery)</b> – Construct a new 20,000 SF facility in the historic Clarksburg district. A new library is necessary to adequately serve the population of 29,051, which is projected to grow to 40,000 by calendar 2030. The fiscal 2026 budget includes funding to complete design and start construction. Additional funds will be requested in fiscal 2027 and 2028 for construction and equipment.</p>	23,873	0	20	9,407	39.5%

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<u>Project Description</u>	<u>Estimated Total</u>	<u>Prior Auth.</u>	<u>2026 Request</u>	<u>Future Request</u>	<u>Total State Share</u>
<b>Salisbury Replacement (Wicomico)</b> – Renovate the 33,400 SF former Ward Museum to replace the existing library, which has an aging infrastructure, spacial inefficiencies, ADA compliance issues, and insufficient dedicated parking. Design began in fiscal 2025 with local funds. The fiscal 2026 budget includes funds to finalize design and start construction.	7,982	0	2,943	3,353	78.9%
<b>New Pocomoke Library (Worcester)</b> – Construct a new 12,365 SF facility to replace the existing Pocomoke Branch. The library’s facilities plan identified many necessary infrastructure replacements, including a new roof, new HVAC equipment, and increased electrical service. The fiscal 2024 budget included funds for construction that were deferred to fiscal 2025 due to a change in location and evaluation of environmental concerns at the site. Additional construction funds were also provided in fiscal 2025. The fiscal 2026 budget includes funds to furnish the facility and complete the project.	9,169	3,999	242	0	46.3%
<b>Total</b>	<b>\$84,585</b>	<b>\$12,167</b>	<b>\$7,500</b>	<b>\$20,183</b>	

ADA: Americans with Disabilities Act  
SF: square foot

Source: Department of Budget and Management

The grants for the projects included in the proposed budget range from \$20,000 to \$2.9 million. The estimated total cost of these projects is \$84.6 million, including \$12.2 million in prior authorizations. Three projects have received funds previously, and six projects are newly funded in fiscal 2026. 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. In cases where the mandated allocation falls short, supplemental funds are recommended to fulfill project requirements.

Additionally, Exhibit 1 shows a total of \$20.2 million in anticipated future requests to complete six of these projects. Rather than suggesting a need for supplemental funding, this highlights how the program has exceeded its mandated funding levels in fiscal 2024 and 2025. If these additional requests move forward, they would consume 90% of total planned funding for

fiscal 2027 through 2029, significantly limiting the ability to fund new projects within the mandated allocation. While MSLA has discretion in awarding grants, and future funding is not guaranteed, these commitments create an expectation of continued State support, which may further constrain funding availability. **Given the current fiscal climate, MSLA should comment on how it plans to manage funding within the mandate and prioritize new requests without exceeding the program’s intended limits.**

## Updates

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### 1. County Library Capital Grant Status for Fiscal 2024 and 2025 Projects

**Exhibit 2** provides an update, as of February 2025, on the status of construction and renovation projects funded in fiscal 2024. As for fiscal 2025, no progress has been made on projects to date. According to the agency, Garrett, Talbot, and Worcester counties recently awarded their construction contracts and expect to submit large reimbursement requests within the next month or two.

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**Exhibit 2**  
**County Library Capital Grant Project Status**  
**Fiscal 2024**  
**(\$ in Thousands)**

<u>Library System</u>	<u>Branch</u>	<u>Project Type</u>	<u>Final Award</u>	<u>Adjustment</u>	<u>Reimb.</u>	<u>% Spent</u>	<u>Status</u>
Calvert	Twin Beaches	New Construction	\$854	–	\$854	100%	Completed
Frederick	Middletown	New Construction	563	–	563	100%	Completed
Garrett	Friendsville	New Construction	513	–	294	57%	Under Construction
Anne Arundel	Glen Burnie	New Construction	200	–	–	0%	Under Design
Worcester	Pocomoke	New Construction	2,200	-\$2,200	–		Held for Reallocation in Fiscal 2025
Baltimore County	Catonsville	Renovation	2,401	–	1,753	73%	Completed
Harford	Bel Air	Renovation	3,593	-3,593	–	0%	Allocation Revoked

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<u>Library System</u>	<u>Branch</u>	<u>Project Type</u>	<u>Final Award</u>	<u>Adjustment</u>	<u>Reimb.</u>	<u>% Spent</u>	<u>Status</u>
Caroline	Denton	Renovation	467	–	467	100%	Completed
Prince George’s	Baden	Renovation and Expansion	519	-119	399	100%	Completed – Balance Rescinded on July 16, 2024
Talbot	St. Michaels	Renovation and Expansion	240	–	62	26%	Under Construction
<b>Total Encumbered</b>			<b>\$11,550</b>	<b>-\$5,912</b>	<b>\$4,391</b>	<b>78%</b>	
<b>Authorization</b>			<b>\$11,550</b>				
<b>Reallocated</b>			<b>\$5,793</b>				

Source: Maryland State Library Agency

The status of capital grant projects funded in fiscal 2024 varies across library systems. Several projects have been completed, while others remain under construction, in the design phase, or have had funding adjustments. New construction projects in Calvert and Frederick counties have been completed, with 100% of their awarded funds spent. Garrett County’s Friendsville branch is under construction, with 57% of funds expended. Meanwhile, Anne Arundel County’s Glen Burnie project is still in the design phase, with no funds spent. Worcester County’s Pocomoke project had its full allocation held for reallocation in fiscal 2025.

Among renovation projects, Baltimore County’s Catonsville branch has been completed, with 73% of funds spent. Although construction is complete and the renovated library is now open to the public, the contractor is finalizing punch list items. Retainage (10% of the contract amount) has not been paid, and MSLA continues to process reimbursements for the project. Caroline County’s Denton branch also completed its renovation, using its full allocation. In Prince George’s County, the Baden branch completed its renovation and expansion, spending 100% of its adjusted allocation. Talbot County’s St. Michaels branch remains under construction, with 26% of funds spent. Harford County’s Bel Air Library renovation project had its allocation revoked, including \$1,414,000 for fiscal 2024 and \$3,593,000 for fiscal 2025. The county did not authorize a design contract for the project and the General Assembly revoked the allocation. MSLA was notified of this action by DBM after the Session ended.

## **2. Expiration of State Share Adjustments**

Chapter 362 temporarily increased the State share of funding for county library capital projects under specific conditions. The provision allowed counties with a median household income in the bottom quartile of the State and a standard 50% State share to qualify for an adjustment. In such cases, the local share was reduced to match the nearest adjacent county with a lower local share, and the State share increased accordingly to offset the reduction. Enacted on July 1, 2022, this adjustment aimed to provide additional support to counties with limited fiscal capacity. The provision is set to expire on June 30, 2025.

Garrett County was the only jurisdiction that met the bill’s criteria, as its standard matching requirement had previously prevented it from accessing funding under the Public Library Capital Grant Program. Under Chapter 362, Garrett County was able to use Allegany County’s 10% local match, significantly reducing its financial burden and enabling participation in the program. As a result, the county secured funding for:

- ***Fiscal 2024:*** \$513,000 at a 90% State cost share;
- ***Fiscal 2025:*** \$2,665,000 at a 90% State cost share; and
- ***Fiscal 2026 (Proposed):*** \$1,116,000 at a 90% State cost share for the Friendsville branch, with the project currently underway and expected to be completed in fall 2025.

BPW approved grant awards for the Friendsville branch on June 21, 2023 (fiscal 2024), and June 5, 2024 (fiscal 2025). If the recommended award for fiscal 2026 is included in the final capital budget bill, MSLA will present the project for final approval at the BPW meeting on June 11, 2025. According to MSLA, Notices of Grant Awards will be issued after that meeting and before June 30, 2025, securing the necessary funding to complete the project before the provision expires.