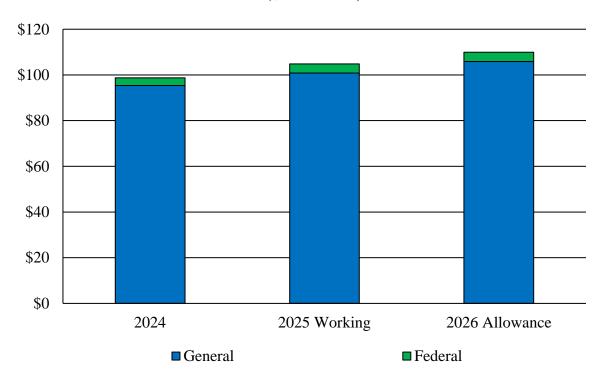
R11A Maryland State Library Agency

Program Description

The Maryland State Library Agency (MSLA) administers State and federal funding for Maryland's libraries and provides strategic leadership, resources, and support for local, regional, and State libraries. Established as an independent State agency under Chapters 337 and 338 of 2017, MSLA oversees Maryland's 24 public library systems, the Maryland State Library for the Blind and Print Disabled (LBPD), the State Library Resource Center (SLRC), three regional resource centers, and the Deaf Culture Digital Library (DCDL). The agency is governed by the Maryland State Library Board, which guides its policies and strategic initiatives.

Operating Budget Summary

Fiscal 2026 Budget Increases \$5.1 Million, or 4.8%, to \$109.9 Million (\$ in Millions)



Note: The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

For further information contact: Nathaly S. Andrade

Fiscal 2025

Implementation of Legislative Priorities

Section 21 of the fiscal 2025 Budget Bill (Chapter 716 of 2024) added \$775,800 to the fiscal 2025 general fund appropriation for the State Library Network program within MSLA for the purpose of providing funding for SLRC. The agency directed the funds toward the overall operating budget of SLRC, which totals approximately \$14.6 million for fiscal 2025, including the additional funds.

SLRC resources, services, and programs currently include:

- Sailor Network and Resources: provides internet access to staff and customers of 21 Maryland public library systems and 23 municipal entities;
- State Interlibrary Loan System: enables access to millions of materials that are not owned by local libraries;
- Staff Development and Learning Opportunities: offers workshops that are necessary for Maryland Public Librarian certification; and
- Online Resource Database Subscriptions: used by K-12 students and other Marylanders to meet a variety of information needs, including research and homework support.

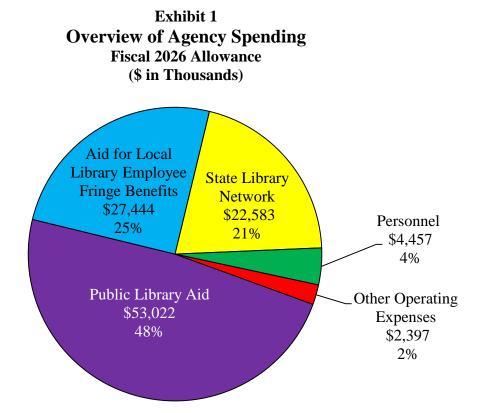
The fiscal 2025 SLRC budget allocates funding across several areas, including \$3.6 million for public services (*i.e.*, staff development, support for local libraries, collection development, interlibrary loan, and reference and research services), \$2.6 million for Sailor network services, \$2.5 million for building services, and \$1.1 million for Maryland interlibrary loan organization services, among others.

Proposed Deficiency

The fiscal 2026 budget includes one proposed deficiency appropriation of \$130,000 in general funds for MSLA. The proposed deficiency will supplement the fiscal 2025 appropriation for DCDL. MSLA should comment on the need for these additional funds, including an explanation of why the initial fiscal 2025 appropriation was insufficient, how the additional funds will be used, and whether this reflects ongoing funding needs for the program.

Fiscal 2026 Overview of Agency Spending

The State distributes local library aid through formula-based funding across three programs: (1) Public Library Aid; (2) the State Library Network; and (3) Aid for Local Library Employee Fringe Benefits. **Appendix 1** details local library aid mandates by program. **Exhibit 1** shows that MSLA's fiscal 2026 allowance totals \$109.9 million, with most funds supporting library aid and retirement costs. Of this total, \$53.0 million (48%) is allocated to Public Library Aid, \$27.4 million (25%) supports Aid for Local Library Employee Fringe Benefits, and \$22.6 million (21%) supports the State Library Network. An additional \$2.4 million (2%) is designated for operating expenses other than personnel, including \$401,000 for DCDL, \$200,000 for the Baltimore City Young Readers Program, and \$350,000 for the Young Readers Matching Grant Program.



Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2026 Budget Books

Proposed Budget Change

Compared to the fiscal 2025 working appropriation, the fiscal 2026 allowance increases by \$5.1 million, or 4.8%. As shown in **Exhibit 2**, the primary factors contributing to this change are a \$3.7 million increase in Aid for Local Library Employee Fringe Benefits, a \$1.05 million increase in Public Library Aid formula funding, and a net \$209,076 increase in regular personnel expenses.

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

	General	Federal				
How Much It Grows:	Fund	Fund	Total			
Fiscal 2024 Actual	\$95,363	\$3,354	\$98,717			
Fiscal 2025 Working Appropriation	100,820	4,023	104,842			
Fiscal 2026 Allowance	<u>105,896</u>	<u>4,007</u>	109,903			
Fiscal 2025-2026 Amount Change	\$5,077	-\$16	\$5,061			
Fiscal 2025-2026 Percent Change	5.0%	-0.4%	4.8%			
Where It Goes:			Change			
Personnel Expenses						
Salary increases and related fringe benefits, including the fiscal 2025						
cost-of-living allocation and increments						
Turnover decreases from 0.61% to 0%						
Reclassification						
Employee and retiree health insurance						
Other Changes						
Aid for Local Library Employee Fringe Benefits						
Public Library Aid formula funding						
State Library Network formula funding						
Deaf Culture Digital Library, including fiscal 2025 deficiency allocation						
Young Readers Matching Grant Program						
Other operating expenses						
Total			\$5,061			

Note: Numbers may not sum to total due to rounding. The fiscal 2025 working appropriation accounts for deficiencies. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

Personnel Data

	FY 24 <u>Actual</u>	FY 25 Working	FY 26 Allowance	FY 25-26 Change			
Regular Positions	32.00	33.00	33.00	0.00			
Contractual FTEs	<u>1.00</u>	0.00	<u>0.00</u>	0.00			
Total Personnel	33.00	33.00	33.00	0.00			
Vacancy Data: Regular Positions Turnover and Necessary Vacancies, Excluding							
New Positions	Zneraamg	0.00	0.00%				
Positions and Percentage Vacant as	of 12/31/24	0.00	0.00%				
Vacancies Above/Below Turnover		n/a					

• On January 31, 2024, the grant administrator position for the Young Readers Matching Grant Program was filled, initially as a contractual role. On August 1, 2024, the position was converted to a permanent full-time position, which is reflected in the fiscal 2025 working appropriation. MSLA indicated that no further staffing needs are anticipated in fiscal 2026.

Key Observations

1. Baltimore City Young Readers and Young Readers Matching Grant Programs

In fiscal 2016, the Governor's Young Readers Program was established to provide free, high-quality books to Baltimore City children under the age of five, regardless of family income. Chapters 446 and 447 of 2022 codified the program as the Baltimore City Young Readers Program under the Governor's Office of Crime Prevention and Policy (GOCPP) and mandated \$200,000 in annual funding. This legislation also created the Young Readers Matching Grant Program, requiring \$250,000 annually beginning in fiscal 2024, to support nonprofit book-gifting partnerships with early reader organizations. Chapters 649 and 650 of 2023 transferred both programs to MSLA and increased the matching grant mandate to \$350,000.

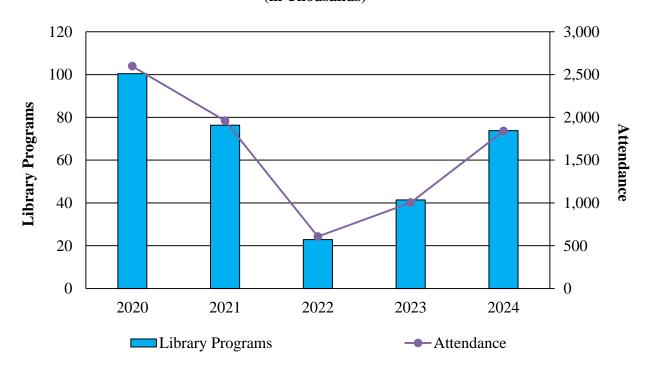
In fiscal 2024, the appropriation of \$746,193 for the Baltimore City Young Readers and Young Readers Matching Grant Programs was fully spent. Initially, \$246,193 was paid to the Dolly Parton Imagination Library for the Baltimore City Young Readers Program by GOCPP prior to MSLA assuming responsibility for the programs, which occurred on October 1, 2023. Additionally, through a budget amendment, \$45,471 was transferred to MSLA for 1 contractual grant administrator position. On March 22, 2024, MSLA disbursed the remaining \$454,529 in fiscal 2024 matching grants (see **Appendix 2** for the complete list of nonprofit organizations that received the grants). Since then, two new partnerships have been established in Harford and St. Mary's counties through the Victoria Russell Foundation.

For fiscal 2025, MSLA has begun disbursing the \$200,000 appropriation for the Baltimore City Young Readers Program, though the total projected cost is \$220,896 due to an increase in the per-book price from \$2.10 to \$2.60. MSLA indicated that the affiliate will need to secure the remaining funds from alternative sources, such as Baltimore City, the board, or the library's Friends groups. In December 2024, \$282,610 was awarded for fiscal 2025 matching grants, and the remaining funds will cover the program's administrative costs. In the fiscal 2026 proposed budget, both programs are level funded with the Baltimore City Young Readers Program receiving \$200,000 and the Young Readers Matching Grant Program receiving \$350,000, which meets the mandate for the programs.

2. Library Programs and Attendance: COVID-19 Impact and Recovery

Exhibit 3 shows the effects of COVID-19-related closures on library programs and attendance from fiscal 2020 to 2024. Both metrics experienced significant declines in fiscal 2021 and 2022, with the number of programs decreasing from 100,403 in fiscal 2020 to 22,897 in fiscal 2022 and attendance dropping from 2.6 million to 606,569. In fiscal 2023, libraries began to recover, with programs increasing by 81%, from 22,897 to 41,402, and attendance rising by 66%, reaching just over 1 million. This partial recovery reflects a mix of virtual, outdoor, and resumed in-person programming, helping libraries reach a wider audience as restrictions eased. In fiscal 2024, libraries had further increased both programs and attendance, with 73,814 programs and nearly 1.8 million attendees, though libraries are still operating below prepandemic levels.

Exhibit 3
Library Programs and Attendance
Fiscal 2020-2024
(in Thousands)

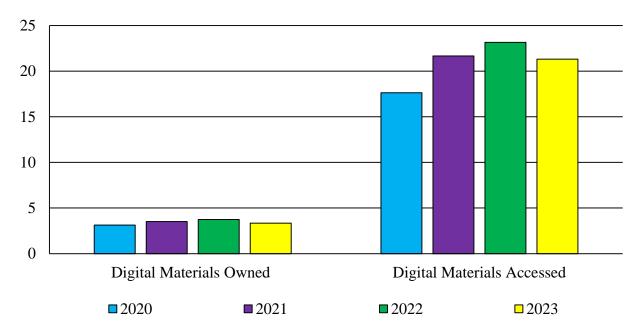


Source: Department of Budget and Management; Maryland State Library Agency

3. Digital Materials Owned and Accessed

As shown in **Exhibit 4**, from fiscal 2021 to 2022, digital materials owned increased by about 230,000, or 6.6%, from 3.5 million to 3.7 million, while digital materials accessed rose by 1.5 million, or 6.8%, from 21.7 million to 23.2 million. However, in fiscal 2023, digital materials owned decreased to 3.3 million, and access declined to 21.3 million. MSLA has previously attributed fluctuations to changes in funding and shifts in user demand for specific digital content formats.





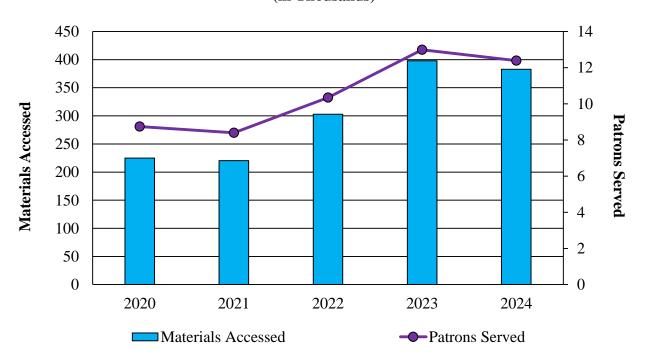
Source: Department of Budget and Management; Maryland State Library Agency

4. LBPD Sustains Growth in Patrons Served and Materials Accessed

Exhibit 5 shows data on LBPD patrons served and materials accessed from fiscal 2020 to 2024. From fiscal 2020 to 2021, the number of patrons served decreased by 351, or 4%, from 8,745 to 8,394, and materials accessed also saw a slight decline of 4.4 million, or 2%, from 224.8 million to 220.4 million. However, from fiscal 2022 to 2023, both metrics increased

significantly. The number of patrons served rose by 2,649, or 26%, from 10,339 in fiscal 2022 to 12,988 in fiscal 2023, while materials accessed increased by 94.8 million, or 31%, from 302.9 million to 397.8 million over that period. This growth reflects the ongoing success of the Books on Demand service model, which was fully implemented by February 2023. In fiscal 2024, both patrons served and materials accessed slightly decreased, with 12,386 patrons served and 382.9 million materials accessed. MSLA notes that although the service has been successful, patron engagement may stabilize or decrease slightly in the coming years as the demand for certain services adjusts.

Exhibit 5
LBPD Patrons Served and Materials Accessed
Fiscal 2020-2024
(in Thousands)



LBPD: Maryland State Library for the Blind and Print Disabled

Source: Department of Budget and Management; Maryland State Library Agency

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

R11A - Maryland State Library Agency

Appendix 1 Local Library Aid Fiscal 2025-2026 (\$ in Millions)

<u>Programs</u>	2025 Working	2026 <u>Allowance</u>	<u>Change</u>	Mandates, Description, and Per Capita Information
Public Library Aid	\$52.00	\$53.02	\$1.02	Description: Establishes minimum State and local contributions for local public library systems through a formula. The formula considers county population and wealth to distribute aid.
				<i>Mandates:</i> Chapters 496 and 497 of 2022 increased minimum per capita funding by \$0.40 annually, reaching \$19.10 by fiscal 2027. Chapter 159 of 2023 codified the General Assembly's intent to maintain the fiscal 2027 per capita level in future years; includes \$3.0 million annually for Enoch Pratt Free Library branches in accordance with Chapter 402 of 2021.
				<i>Per Capita:</i> \$18.30 in fiscal 2025 and \$18.70 in fiscal 2026.
State Library Network	22.47	22.58	0.11	Description: Supports designated resource centers, including SLRC and three regional centers; funds interlibrary loans and cooperative library agreements, LBPD, and instructional materials.

Mandates: Chapter 27 of 2021 set per capita funding for SLRC at \$1.97 starting in fiscal 2024, maintained in future years. Chapter 180 of 2024 increased the per capita State aid for SLRC by \$0.10 beginning in fiscal 2025. Chapters 496 and 497 increased per capita funding for regional centers by \$0.20 annually, reaching \$9.99 by fiscal 2027.

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<u>Programs</u>	2025 Working	2026 Allowance	<u>Change</u>	Mandates, Description, and Per Capita Information
				<i>Per Capita:</i> SLRC is \$1.97 in fiscal 2024 and \$2.07 in fiscal 2025; regional centers are \$9.59 in fiscal 2025 and \$9.79 in fiscal 2026.
Aid for Local Library Employee Fringe Benefits	23.74	27.44	3.7	Description: Covers employer retirement costs for local library employees that are part of the State Teachers' Retirement or Pension systems. For Montgomery County librarians, the State pays the lesser of the county or State retirement system costs.
				Mandates: Also includes a Local Libraries Administrative Charge that

is paid on behalf of county library boards.

LBPD: Maryland State Library for the Blind and Print Disabled SLRC: State Library Resource Center

Source: Department of Budget and Management; Maryland State Library Agency; Department of Legislative Services

Appendix 2 Young Readers Matching Grant Program Allocation Fiscal 2024

Nonprofit Affiliate	Grant Allocation
Allegany County United Way, Inc.	\$16,979
Annapolis Area Imagination Library	41,526
Caroline County Public Library	12,812
Dolly Parton Imagination Library of Cecil County	19,268
Charles County Public Library	27,056
Frederick County Public Schools	17,165
Garrett Reading Council	4,083
Bright Minds Foundation	18,246
Kent Family Center	2,752
Imagination Library of Montgomery County	85,913
Prince George's County Memorial Library System	141,144
Queen Anne's County Library	5,399
Imagination Library of Talbot County	6,258
United Way of the Lower Eastern Shore	55,146
Montgomery County – Wheaton Woods Parent	
Teacher Association	782
Total	\$454,529

Source: Maryland State Library Agency

Appendix 3
Object/Fund Difference Report
Maryland State Library Agency

FY 25							
	FY 24	Working	FY 26	FY 25 - FY 26	Percent		
Object/Fund	<u>Actual</u>	Appropriation	<u>Allowance</u>	Amount Change	Change		
Positions							
01 Regular	32.00	33.00	33.00	0.00	0%		
02 Contractual	1.00	0.00	0.00	0.00	0.0%		
Total Positions	33.00	33.00	33.00	0.00	0%		
Objects							
01 Salaries and Wages	\$ 4,043,071	\$ 4,247,592	\$ 4,456,668	\$ 209,076	4.9%		
02 Technical and Special Fees	27,823	0	0	0	0.0%		
03 Communication	11,295	7,740	8,240	500	6.5%		
04 Travel	43,086	38,015	59,000	20,985	55.2%		
06 Fuel and Utilities	118,000	112,464	123,500	11,036	9.8%		
07 Motor Vehicles	23,783	33,040	25,540	-7,500	-22.7%		
08 Contractual Services	1,253,712	1,178,846	1,124,061	-54,785	-4.6%		
09 Supplies and Materials	36,910	50,778	56,550	5,772	11.4%		
10 Equipment – Replacement	318	5,000	5,000	0	0%		
12 Grants, Subsidies, and Contributions	93,010,052	98,890,172	103,881,104	4,990,932	5.0%		
13 Fixed Charges	148,800	148,701	163,433	14,732	9.9%		
Total Objects	\$ 98,716,850	\$ 104,712,348	\$ 109,903,096	\$ 5,190,748	5.0%		
Funds							
01 General Fund	\$ 95,362,599	\$ 100,689,528	\$ 105,896,299	\$ 5,206,771	5.2%		
05 Federal Fund	3,354,251	4,022,820	4,006,797	-16,023	-0.4%		
Total Funds	\$ 98,716,850	\$ 104,712,348	\$ 109,903,096	\$ 5,190,748	5.0%		

Note: The fiscal 2025 appropriation does not include deficiencies. The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.