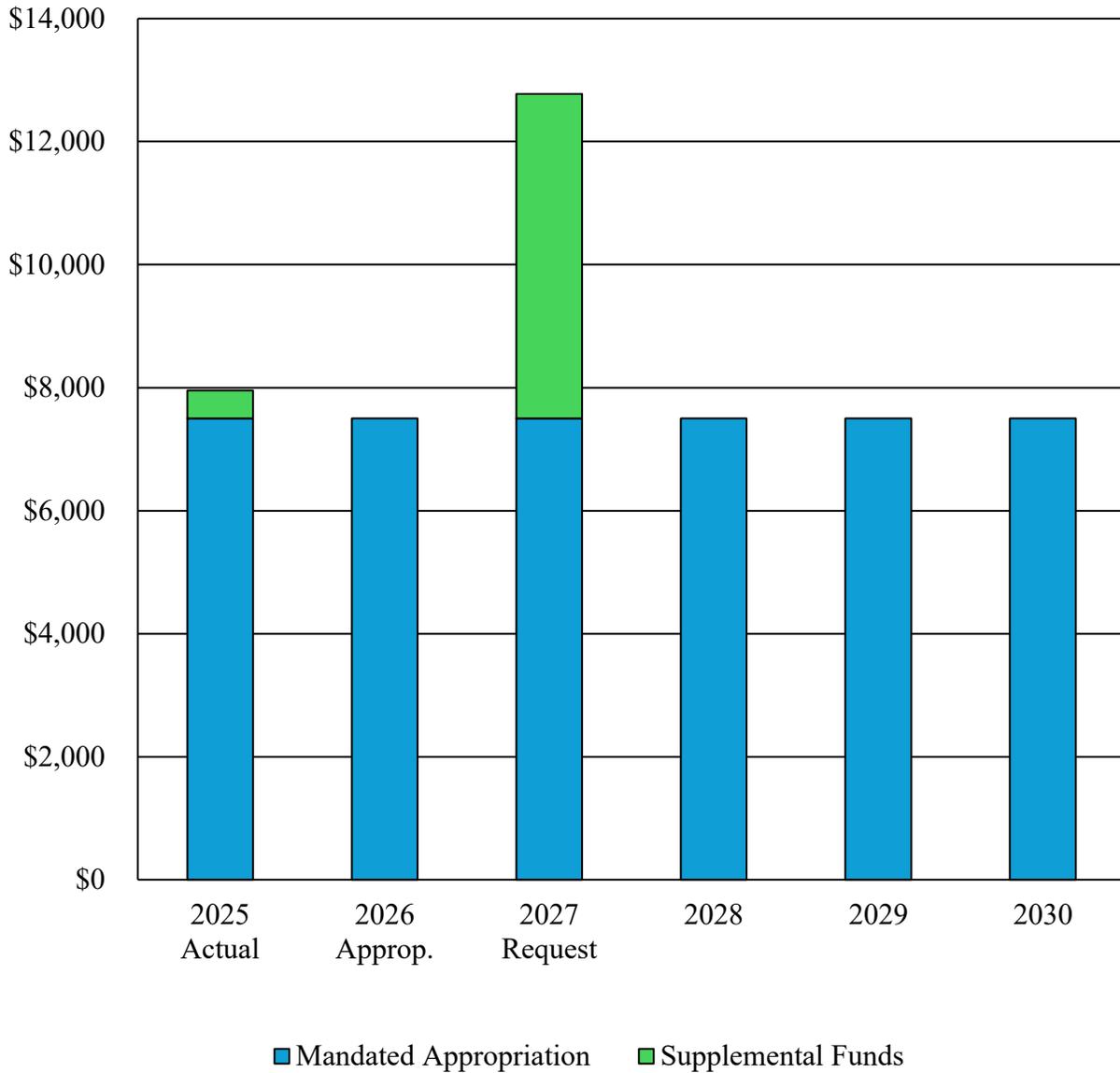


RA11
Maryland State Library Agency – Capital

Capital Budget Summary

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



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

For further information contact: Nathaly S. Andrade

nathaly.andrade@mga.maryland.gov

Key Observations

- Fiscal 2027 Funding Request Exceeds Statutory \$7.5 Million Annual Allocation:*** The fiscal 2027 capital allowance provides \$12.8 million in general obligation (GO) bonds for the Public Library Capital Grant Program, which is \$5.3 million above the \$7.5 million annual funding mandate established under § 23-509 of the Education Article. This represents a significant increase over both the statutory minimum and the amount programmed for fiscal 2027 in the prior *Capital Improvement Program*. The allowance funds eight projects across eight jurisdictions, including new library construction in Charles, Frederick, Montgomery, and Washington counties; major renovations and expansions in Cecil and Wicomico counties; the conversion of a former middle school into a library in Queen Anne’s County; and flood-related remediation work in Dorchester County. Several of these projects involve Americans with Disabilities Act (ADA) compliance, HVAC replacements, energy efficiency improvements, and the creation of dedicated spaces for youth programming and community use.
- State Library Resource Center (SLRC) Deauthorization of Unexpended Funds:*** The fiscal 2027 capital allowance includes a deauthorization of \$586,357 in GO bond funds for the SLRC project at the Enoch Pratt Free Library in Baltimore City. The project received \$4,831,000 in fiscal 2019 to complete the renovation of SLRC, consistent with Education Article § 23-205, which requires the State to support capital costs for SLRC. The renovation addressed significant mechanical, electrical, structural, HVAC, fire code, and ADA compliance deficiencies in the historic facility. Although the full authorization was provided, actual expenditures totaled \$4,244,643. The proposed deauthorization reflects unexpended funds remaining after substantial completion of the project.

GO Bond Recommended Actions

- Reduce the general obligation bond authorization for the Public Library Capital Grant Program by \$5,275,000.

RA11A Public Library Capital Grant Program..... -\$5,275,000

| <u>Allowance</u> | <u>Change</u> | <u>Authorization</u> |
|------------------|---------------|----------------------|
| 12,775,000 | -5,275,000 | 7,500,000 |

Explanation: This action reduces the general obligation (GO) bond authorization for the Public Library Capital Grant Program by \$5,275,000. In recent years, except for fiscal 2026, both the Governor’s allowance and the final authorizations for the Maryland State Library Agency have exceeded the statutory mandate. To align funding with the statutory requirement, the Department

of Legislative Services recommends reducing the fiscal 2027 GO bond authorization to \$7.5 million.

Total General Obligation Bonds Reductions **-\$5,275,000**

Budget Overview of Grant and Loan Programs

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. Chapter 27 of 2021 mandated \$7.5 million in annual funding for the program either in the capital budget or the operating budget starting in fiscal 2023.

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, municipal, or private sources. This maximum State share is calculated for local library systems by the wealth-based cost-sharing formula in statute based on that jurisdiction's wealth. 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 requested to fulfill project requirements. 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 2027 capital allocation for the Public Library Capital Grant Program totals \$12.8 million in GO bonds, which exceeds the \$7.5 million annual funding as mandated by Chapter 27. The recommendation supports eight projects, including new library construction; major renovations and expansions; the conversion of an existing school facility into a branch library; and remediation work to address prior flooding. Projects include ADA compliance upgrades, HVAC replacements, energy

efficiency improvements, and the development of modernized spaces for community programming, youth services, and technology access.

Exhibit 1
Public Library Capital Grant Program Project List
Fiscal 2027
(\$ in Thousands)

| <u>Project Description</u> | <u>Estimated Total</u> | <u>Prior Auth.</u> | <u>2027 Request</u> | <u>Future Request</u> | <u>Total State Share</u> |
|---|------------------------|--------------------|---------------------|-----------------------|--------------------------|
| <p>Elkton Library Renovation and Expansion (Cecil) – Renovate the existing 25,000 GSF branch library and construct a 3,500 GSF addition to address roof and HVAC deficiencies, improve ADA compliance, and modernize service areas. State fiscal 2026 and 2027 funds support construction. It is anticipated that the county will request additional funds in fiscal 2028. The cost of this project increased \$4.1 million from the estimated \$6.8 million provided in the fiscal 2026 submission, reflecting broad construction cost volatility; the inclusion of State prevailing wages not included in the original estimate; and an extension of the timeline. Despite the total project cost increase, the requested State share has decreased by \$610,000 as a result of increased county commitment.</p> | \$10,930 | \$1,550 | \$1,000 | \$1,000 | 32.5% |
| <p>New La Plata Library (Charles) – Construct a new 27,500 SF facility to replace the existing 12,889 SF building and expand community, youth, and program space. Project design concluded at the end of calendar 2024. The project was initially delayed by negotiations between the county and town involving the existing buildings on the site. While negotiations were resolved, new permitting requirements have further delayed the planned start of construction to October 2026, with a new anticipated completion date of April 2028. The fiscal 2027 budget includes funds to start construction, and it is anticipated that additional funds will be requested in fiscal 2028 to complete the project.</p> | 23,753 | 0 | 1,000 | 0 | 4.2% |

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| <u>Project Description</u> | <u>Estimated Total</u> | <u>Prior Auth.</u> | <u>2027 Request</u> | <u>Future Request</u> | <u>Total State Share</u> |
|---|------------------------|--------------------|---------------------|-----------------------|--------------------------|
| <p>Cambridge Library Renovation (Dorchester) – Replace 5,545 SF of first floor flooring and complete flood remediation work at the Central Branch as part of a multiphase renovation. Construction of the final phase is expected to commence in September 2026, with substantial completion in October 2026.</p> | 168 | 0 | 102 | 0 | 60.7% |
| <p>New West Frederick Library (Frederick) – Construct a new 15,000 GSF branch library to serve an underserved area on the west side of Frederick and provide dedicated study rooms, meeting space, and youth programming areas. The city donated the site to the county, and design for the project was funded by the county. The project schedule and costs have been updated to reflect schedule delays and decreased local government capacity. Design is substantially complete, and construction is anticipated to begin in July 2026, with substantial construction completion expected around October 2027. The cost of this project increased by \$86,000, reflecting an improved understanding of the design and revisions to the schedule, but the requested State share increased by \$230,000 as a result of decreased county commitment. The fiscal 2027 grant includes funds to start construction, including \$981,000 in supplemental funding. Additional grant funds are expected to be requested in fiscal 2028 to complete the project.</p> | 10,339 | 831 | 2,306 | 1,557 | 45.4% |
| <p>New Clarksburg Library (Montgomery) – Construct a new 23,400 GSF library to serve a growing population and relieve demand on nearby branches through expanded programming and meeting space. Design began in August 2024 and is expected to conclude in February 2026 as planned. Construction is anticipated to begin in July 2026, with substantial completion expected in July 2028. The cost of this project increased by \$5.1 million, which the county attributes to broad construction cost volatility and the inclusion of contingency and escalation, which was omitted</p> | 28,985 | 20 | 4,274 | 0 | 14.8% |

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| <u>Project Description</u> | <u>Estimated Total</u> | <u>Prior Auth.</u> | <u>2027 Request</u> | <u>Future Request</u> | <u>Total State Share</u> |
|---|------------------------|--------------------|---------------------|-----------------------|--------------------------|
| <p>from previous estimates. Despite the total project cost increase, the requested State share has decreased by \$5.1 million as a result of increased county commitment. The fiscal 2027 budget includes funding to complete design and start construction, including \$4,254,000 in supplemental funding. DBM anticipates that no additional State funds will be requested, and the county will fulfill remaining funding needs for continued construction and equipment costs for this project.</p> | | | | | |
| <p>Sudlersville School Conversion for North County Branch Library (Queen Anne’s) – Renovate and repurpose 4,100 SF in the former Sudlersville Middle School to serve as a library for underserved residents in northern Queen Anne’s County. Fiscal 2027 funds support project design, which is expected to conclude in November 2027. Substantial construction completion is expected around July 2029. Additional State funds are anticipated to be requested in fiscal 2028 and 2029 to complete construction and fund capital equipment.</p> | 1,473 | 0 | 5 | 671 | 50.0% |
| <p>New Williamsport Library (Washington) – Construct a new 21,200 NASF/24,500 GSF library facility at a donated site in the Town of Williamsport. Design is anticipated to begin in July 2026 and take a year to complete. Construction is anticipated to begin in late calendar 2027, with substantial completion expected in early calendar 2029. The fiscal 2027 budget includes funding to start design. An additional \$14.9 million in State funding is anticipated to be requested to complete the project.</p> | 21,942 | 0 | 675 | 14,904 | 71.0% |
| <p>Salisbury Replacement Library on Schumaker Pond (Wicomico) – Renovate the 34,981 GSF former Ward Museum building for use as a replacement branch library, addressing ADA compliance, HVAC deficiencies, roof issues, and expanded program space. The fiscal 2026 budget</p> | 10,634 | 3,074 | 3,353 | 0 | 60.4% |

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| <u>Project Description</u> | <u>Estimated Total</u> | <u>Prior Auth.</u> | <u>2027 Request</u> | <u>Future Request</u> | <u>Total State Share</u> |
|--|----------------------------|------------------------|-------------------------|---------------------------|----------------------------------|
| <p>included funds to finalize design and start construction. Construction is anticipated to begin in January 2026, with substantial completion expected around June 2027. The fiscal 2027 budget provides funds to complete the project, including \$40,000 in supplemental funding. The cost of this project increased by \$4.1 million, reflecting broad construction cost volatility; additional needs highlighted in the feasibility and design process, particularly a new roof to address current problems with leaks; and a four-month extension of the timeline for construction. Despite the total project cost increase, the requested State share has increased by only \$131,000 as a result of increased county commitment.</p> | | | | | |
| Total | \$108,224 | \$5,475 | \$12,775 | \$18,132 | |

ADA: Americans with Disabilities Act
 DBM: Department of Budget and Management
 GSF: gross square feet

NASF: net assignable square feet
 SF: square foot

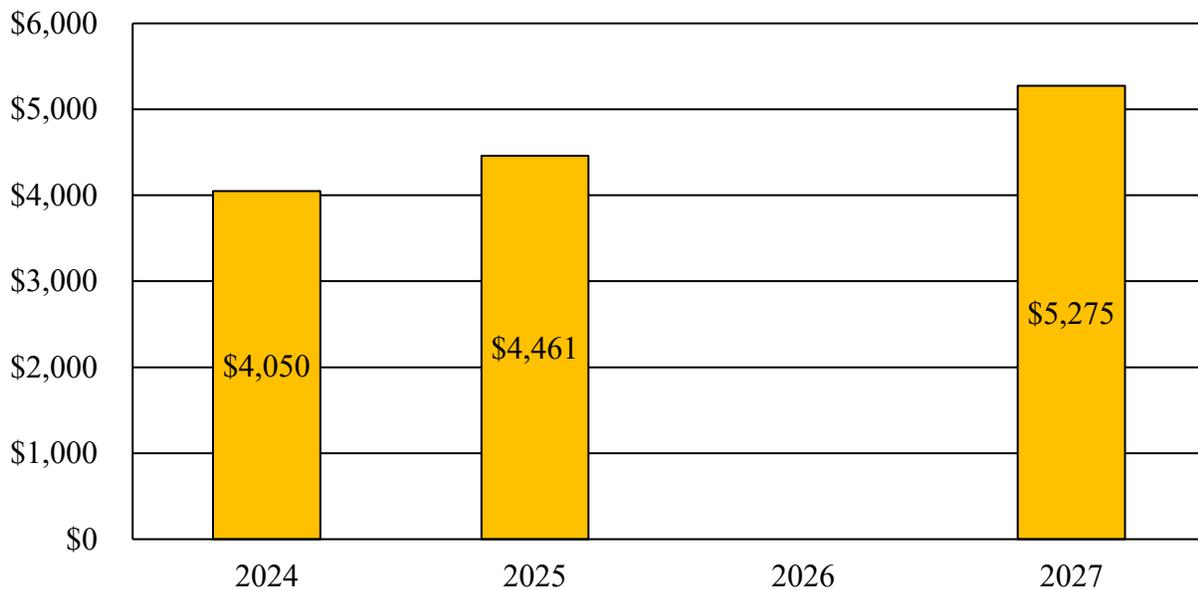
Source: Department of Budget and Management

Requested Funding Exceeds Mandated Funding Level for Third Time in Four Years

The County Public Library Capital Grant Program is unable to maintain funding commitments to projects already selected for State participation without exceeding the program’s \$7.5 million annual mandated funding level. As shown in **Exhibit 2**, including the fiscal 2027 proposed funding level, the Governor’s request has exceeded the mandate in three of the past four fiscal years. Over this period, the requested funding level totals \$43.8 million compared to \$30.0 million required under the mandate for a difference of \$13.8 million, or 46% above the mandated level. Large projects are a significant strain on the program. Five of the six projects selected for funding in fiscal 2027 exceed \$10 million in total estimated project costs, with three exceeding \$20 million. This makes it difficult to provide a meaningful State contribution while also providing State funding participation for smaller project requests. This is particularly challenging for projects located in low wealth jurisdictions that have a high State participation ceiling, like the proposed New Williamsport Library in Washington County. This also impacts projects already selected, as the New Williamsport project, with an estimated \$14.9 million of

potential future State requested funding, appears to have supplanted a larger commitment to the New Clarksburg Library.

Exhibit 2
Requested Funding Above Statutory Mandate
Public Library Capital Grant Program
Fiscal 2024-2027
(\$ in Thousands)



Source: Department of Budget and Management

Furthermore, as shown in Exhibit 1, four of the projects receiving State funds in fiscal 2027 are estimated to have another \$18.1 million in anticipated future requests; this figure would have exceeded \$22 million were it not for the reduced State commitment of \$5.1 million to the New Clarksburg Library. If these additional requests move forward, they would consume 80% of total planned funding for fiscal 2028 through 2030, significantly limiting the ability to fund new projects within the mandated allocation.

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. The Department of Legislative Services also recommends that the fiscal 2027 GO bond authorization for the Public Library Capital Grant Program be reduced to the \$7.5 million mandated program funding level.

Updates

1. County Library Capital Grant Status for Fiscal 2025 and 2026 Projects

Exhibit 3 provides an update as of February 2026 on the status of construction and renovation projects funded in fiscal 2025. As for fiscal 2026, the new construction for the Montgomery – Clarksburg branch and the renovation in Wicomico – Salisbury have spent 100% and 13%, respectively. Of the seven projects listed in fiscal 2025, four are currently under construction, two are under design, and one has been rescinded. Total authorization for these projects is \$15.0 million, with approximately 60% unexpended to date.

Exhibit 3
County Library Capital Grant Project Status of Unspent Funds
Fiscal 2025
(\$ in Thousands)

| <u>Library System</u> | <u>Branch</u> | <u>Project Type</u> | <u>Final Award</u> | <u>Reimb.</u> | <u>% Spent</u> | <u>Status</u> |
|-----------------------|---------------|--------------------------|--------------------|---------------|----------------|---|
| Anne Arundel | Glen Burnie | New Construction | \$1,398 | \$69 | 5% | Design/Build Request for Proposals |
| Garrett | Friendsville | New Construction | 2,655 | 1,085 | 41% | Under Construction – Tentative Completion February 2026 |
| Worcester | Pocomoke | New Construction | 3,999 | 1,915 | 48% | Under Construction – Tentative Completion April 2026 |
| Montgomery | Damascus | Renovation | 957 | 957 | | Under Construction – 60% Complete |
| Baltimore City | Forest Park | Renovation and Expansion | 3,218 | – | | Contract Under Review |

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| <u>Library System</u> | <u>Branch</u> | <u>Project Type</u> | <u>Final Award</u> | <u>Reimb.</u> | <u>% Spent</u> | <u>Status</u> |
|-------------------------|---------------|--------------------------|--------------------|----------------|----------------|--|
| Talbot | St. Michael's | Renovation and Expansion | 2,803 | 2,042 | 73% | Under Construction – Tentative Completion March 2026 |
| Wicomico | Salisbury | HVAC Replacement | – | – | | Rescinded |
| Total Encumbered | | | \$15,030 | \$6,068 | 40% | |

Note: The Final Award amount reflects the total funding currently committed to each project and equals the original award adjusted for subsequent increases or decreases within the program, including reallocations of previously unallocated funds and rescissions from completed or canceled projects.

Source: Maryland State Library Agency

The Salisbury HVAC replacement project was rescinded after funding was approved for construction of a new Salisbury library, and the associated \$131,000 was reallocated within the program. In addition, funds from projects completed in prior years were withdrawn and redistributed to other active projects, including North Point, West Frederick, Pocomoke, and the new Salisbury library.