R11A

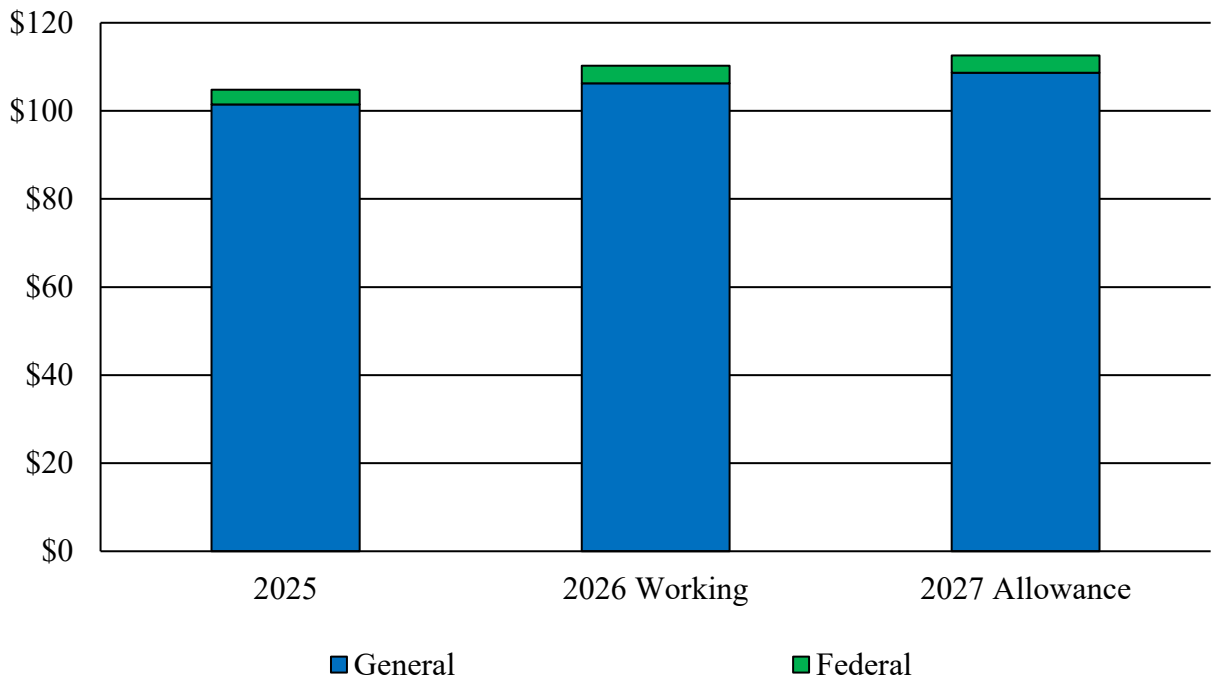
Maryland State Library Agency

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, 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 2027 Budget Increases $2.4 Million, or 2.2%, to $112.6 Million
($ in Millions)



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

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Fiscal 2025

Federal Rescissions

Federal library grant funding was subject to uncertainty following federal administrative actions affecting the Library Services and Technology Act (LSTA) Grants to States program, the primary source of federal funding for State library agencies. LSTA funds are provided by the Institute of Museum and Library Services (IMLS) and are used by MSLA to support statewide library services, including subgrants to local public libraries for literacy initiatives, workforce development, technology access, and other community-based services. An executive order issued in March 2025 limited IMLS activity to statutorily required functions and resulted in the suspension or termination of certain IMLS-administered grants nationwide. In November 2025, a federal court ruled against those actions in *State of Rhode Island v. Donald Trump*, resulting in a permanent injunction and the reinstatement of affected library grants.

In response to this uncertainty, MSLA reported that, earlier in calendar 2025, the agency requested to receive its full federal funding for the current fiscal year as a single upfront allocation rather than through the standard monthly reimbursement process. This request was approved, allowing the agency to retain access to its federal funds in advance and reducing the risk of funding interruptions, including during the federal government shutdown.

Fiscal 2026

Proposed Deficiency

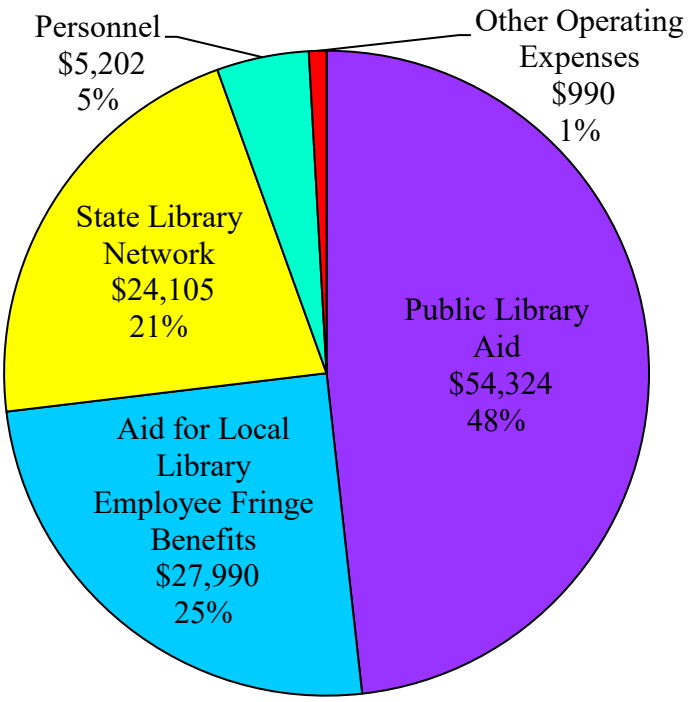
The fiscal 2027 budget for MSLA includes proposed fiscal 2026 deficiency appropriations that provide a net total of $409,149 in general funds and realign $61,370 in general funds for employer retirement costs for local library employees. The largest deficiency, totaling $220,000, supports employer contributions for Montgomery County retirement costs. MSLA also receives a State personnel deficiency of $181,899 for shortfalls related to lower than expected vacancy savings. In addition, a deficiency appropriation of $7,250 supports the Family Literacy Pilot Program, which is discussed in further detail in Key Observation 4. **MSLA should comment on the factors contributing to the $220,000 deficiency appropriation for Montgomery County retirement costs and whether the factors are anticipated to cause similar spending growth in the future.**

Fiscal 2027 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. As shown in **Exhibit 1**, MSLA's fiscal 2027 allowance totals $112.6 million, with most funding supporting

library aid and retirement costs. Of this total, $54.3 million (48%) is allocated to Public Library Aid, $28.0 million (25%) supports Aid for Local Library Employee Fringe Benefits, and $24.1 million (21%) supports the State Library Network.

Exhibit 1
Overview of Agency Spending
Fiscal 2027 Allowance
($ in Thousands)



Note: The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 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 2027 Budget Books

Personnel expenditures account for $5.2 million (5%) of the allowance, while approximately $1.0 million (1%) supports other operating expenses. These costs include grants totaling $250,000 for the Baltimore City Young Readers Program, which exceeds the $200,000 annual funding mandate established under Chapters 446 and 447 of 2022, and $450,000 for the Young Readers Matching Grant Program, which also exceeds the $350,000 annual appropriation mandated under Chapters 649 and 650 of 2023. **MSLA should comment on the intended use of the additional funding provided for the Baltimore City Young Readers Program and the Young Readers Matching Grant Program.**

Proposed Budget Change

The fiscal 2027 allowance increases by $2.4 million, or 2.2%, compared to the fiscal 2026 working appropriation after accounting for proposed deficiencies and a fiscal 2027 contingent general fund reduction of retirement expenses for librarians. As shown in **Exhibit 2**, the primary factors contributing to this change include increases of $1.5 million in Public Library Aid formula funding and $297,416 for aid to regional libraries. There is also a net increase of $718,864 in regular personnel expenses.

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

How Much It Grows:	General Fund	Federal Fund	Total
Fiscal 2025 Actual	$101,452	$3,332	$104,784
Fiscal 2026 Working	106,224	3,992	110,216
Fiscal 2027 Allowance	108,660	3,951	112,611
Fiscal 2026-2027 Amount Change	$2,436	-$40	$2,395
Fiscal 2026-2027 Percent Change	2.3%	-1.0%	2.2%

Where It Goes	Change
Personnel Expenses	
Salary and fringe benefits for 2 new positions supporting DCDL. Total appropriation of $450,000 meets mandated level in accordance with Chapters 325 and 326 of 2025	$328
Net change to backfill personnel reductions required by the fiscal 2026 Budget Bill that the agency could not fully absorb	213
Employee and retiree health insurance	153
Salary adjustments, including fiscal 2026 deficiency	15
Deferred compensation match due to statewide change in budgeting	10
Other Changes	
Public Library Aid formula funding	1,452
Regional libraries	297
Aid for Local Library Employee Fringe Benefits, including fiscal 2026 deficiency appropriations and a fiscal 2027 contingent general fund reduction	265
State Library Resource Center, including fiscal 2026 deficiency for the Family Literacy Pilot Program	$172

Where It Goes	Change
Enhancement funding for the Baltimore City Young Readers Program	50
Realignment of federally funded contract providing a management system for the Library for the Blind and Print Disabled	-100
Cost allocation	-117
Estimated federal library services grants supported by LSTA to align with recent actual spending	-150
Transition of DCDL administrative expenses from grants to regular personnel following the end of Montgomery County Public Libraries' administration of the program	-279
Other expenditures	86
Total	**$2,395**

DCDL: Deaf Culture Digital Library
LSTA: Library Services and Technology Act

Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Budget Reconciliation and Financing Act

A provision in the proposed Budget Reconciliation and Financing Act (BRFA) of 2026 reduces the State share of employer pension contributions for local public library employees in the Teachers' Retirement System/Teachers' Pension System (TRS/TPS). The BRFA of 2025 included a provision that reduced the State share of employer pension contributions for TRS/TPS members employed by local school systems and community colleges beginning in fiscal 2026, but this provision did not apply to employees of local libraries.

The fiscal 2027 Budget Bill includes a $722,970 general fund reduction contingent on the enactment of legislation requiring local governments to share increased retirement costs. This reduction is approximately half of the increase in retirement costs from fiscal 2026 to 2027 and is allocated proportionally across Baltimore City and counties based on their current library retirement costs, resulting in a uniform reduction of approximately 2.7% for most jurisdictions. **The Department of Legislative Services recommends shifting 100% of the fiscal 2027 increase in the State share of librarian retirement costs to local jurisdictions.**

Personnel Data

	FY 25 Actual	FY 26 Working	FY 27 Allowance	FY 26-27 Change
Regular Positions	33.00	32.00	34.00	2.00
Contractual FTEs	0.00	0.00	0.00	0.00
Total Personnel	**33.00**	**32.00**	**34.00**	**2.00**
Vacancy Data: Regular Positions				
Turnover and Necessary Vacancies, Excluding New Positions		0.00	0.00%	
Positions and Percentage Vacant as of 12/31/2025		1.00	3.13%	
Vacancies Above Turnover		1.00		

- The fiscal 2027 allowance provides 2 new Education Program Specialist positions within MSLA to assume management and staffing of DCDL following Montgomery County Public Libraries' (MCPL) decision to discontinue its role. Since the program's inception, MCPL had managed DCDL on behalf of the State due to its expertise in providing library services to deaf and hard of hearing communities. Beginning July 1, 2026, MSLA will bring the program in house to ensure continuity of services. The positions will support statewide services for deaf and hard of hearing residents, including collection development, reference services, outreach, training, and program delivery. New personnel costs associated with these positions are funded within the mandated funding level of $450,000 established in Chapters 325 and 326 of 2025 for DCDL.

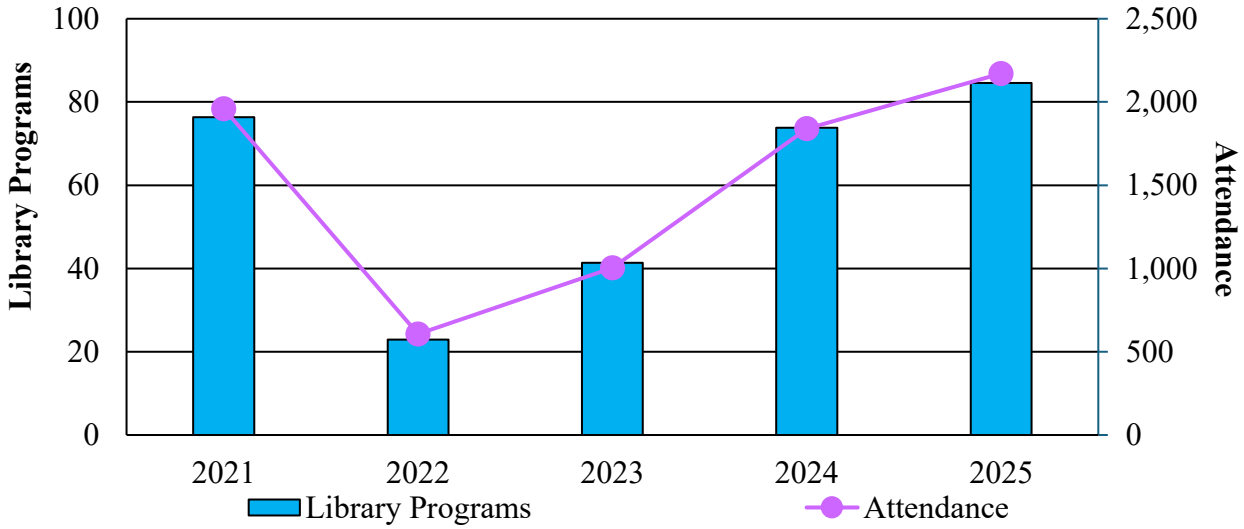
- On October 22, 2025, the Board of Public Works approved the abolition of 502.7 positions statewide, including 170.7 vacant positions and 332.0 positions associated with the Voluntary Separation Program. In MSLA, 1 position was abolished due to the VSP. MSLA indicated that the eliminated position (administrative specialist II) had its duties absorbed by other staff, with no significant operational impacts resulting from the loss of the position.

Key Observations

1. Library Programming and Attendance

Exhibit 3 shows library programs and attendance from fiscal 2021 through 2025. Both measures experienced their lowest point in fiscal 2022, when programs fell to 22,897 and attendance declined to 606,569, reflecting the continued effects of COVID-19 pandemic-related restrictions. MSLA indicates that performance data reflect library activities one fiscal year after they occur and, as a result, the figures reported for fiscal 2021 and 2022 reflect library activity that took place in fiscal 2020 and 2021, when in-person programming was largely suspended and social distancing requirements limited both the number of programs offered and attendance levels. Recovery began in fiscal 2023 as the number of programs increased to 41,402, and attendance rose to just over 1.0 million, coinciding with a significant expansion of virtual programming and the resumption of in-person activities. This growth accelerated in fiscal 2024, with 73,814 programs and 1.8 million attendees, and continued in fiscal 2025, when libraries reported 84,576 programs and 2.2 million attendees. **While these trends suggest a gradual return toward prepandemic engagement levels, MSLA should comment on the factors contributing to the reduced rate of growth in library programs and attendance from fiscal 2024 to 2025 and describe any actions that the agency is taking to encourage continued increases in library activity.**

Exhibit 3
Library Programs and Attendance
Fiscal 2021-2025
(in Thousands)

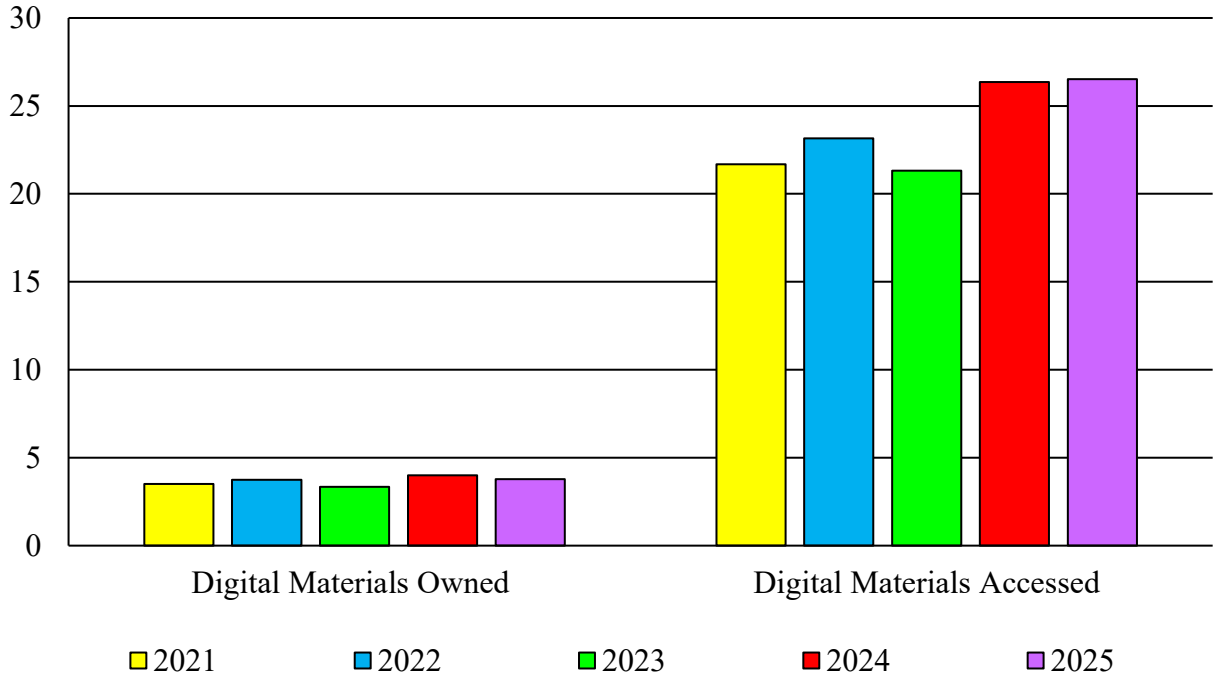


Source: Department of Budget and Management; Maryland State Library Agency

2. Shifts in Digital Collection Use and Holdings

As shown in **Exhibit 4**, digital materials owned and accessed fluctuated from fiscal 2021 through 2023, reflecting inconsistent changes in both collection levels and usage over the period. Both measures rebounded in fiscal 2024, when digital holdings increased to 4.0 million and access rose to 26.4 million. In fiscal 2025, owned materials declined slightly to 3.8 million, while access remained relatively stable at 26.5 million. Fluctuations in digital holdings primarily reflect local collection management decisions rather than statewide acquisition strategies, as digital materials purchasing is determined by county library systems. In addition, publisher pricing models for digital materials, which can substantially exceed the cost of print titles, constrain the ability of libraries to expand digital collections. Despite these constraints, access has recently increased, suggesting sustained demand and more intensive use of existing digital resources. **MSLA should comment on whether current data collection methods allow for adequate assessment of shifts in user demand and discuss whether the agency tracks information on unmet demand for digital materials and resources.**

Exhibit 4
Digital Materials Owned and Accessed
Fiscal 2021-2025
(in Millions)

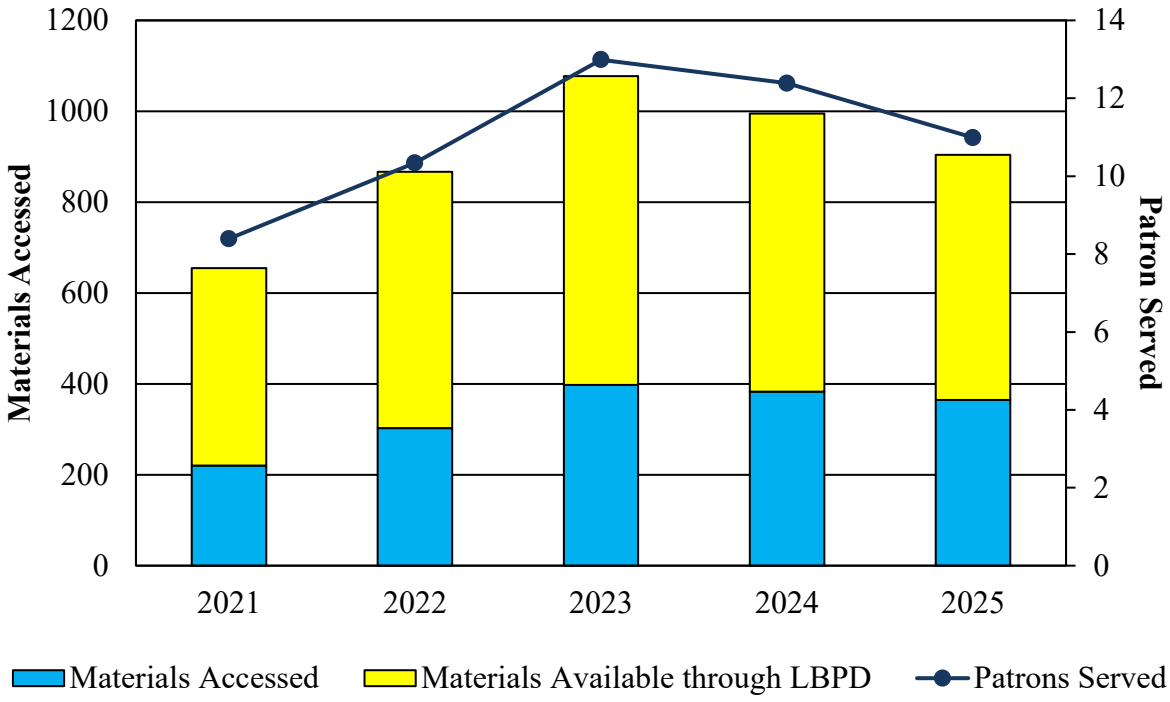


Source: Department of Budget and Management; Maryland State Library Agency

3. Changes in LBPD Service Utilization

Exhibit 5 presents LBPD data on patrons served, available materials, and materials accessed from fiscal 2021 through 2025. All three measures increased significantly between fiscal 2021 and 2023, with patrons served rising from 8,394 to 12,988 and materials accessed increasing from 220.4 million to 397.8 million. This growth coincided with a return to full services following COVID-19 pandemic-related modifications, expanded outreach activities, and the implementation of the Books on Demand service model, which improved the timeliness and volume of fulfilled material requests. In fiscal 2024 and 2025, the measures declined, with patrons served falling to 10,988 and materials accessed decreasing to 364.7 million by fiscal 2025. MSLA has indicated that this trend reflects an expected leveling of demand following the introduction of new services, rather than a reduction in access, as overall material availability remains above prepandemic levels.

Exhibit 5
LBPD Patrons Served and Materials Accessed and Available
Fiscal 2021-2025
(in Thousands)



LBPD: Maryland State Library for the Blind and Print Disabled

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

4. Implementation of the Family Literacy Pilot Program

The Family Literacy Pilot Program was established under Chapters 367 and 368 of 2025 to foster family literacy and strengthen parent-child relationships by providing children's books in State correctional facilities and enabling incarcerated individuals to read aloud to their children. During the first half of fiscal 2026, MSLA met regularly with program partners at the Maryland Department of Labor (MD Labor), including the coordinator of prison library services, and the Department of Public Safety and Correctional Services (DPSCS) to coordinate logistical details and develop the programmatic framework for the pilot.

Two main challenges were identified during the planning process. DPSCS did not receive additional funding for a contractual position to manage casework and compliance activities; however, the department identified internal resources to assume these responsibilities. In addition, some incarcerated individuals were found to lack confidence in reading aloud to their children due to limited literacy proficiency. In response, additional literacy support and training were incorporated into the program design in coordination with MD Labor's prison library services staff. MSLA indicated that most logistical planning has been completed, and the program is expected to launch at the first pilot site, the Maryland Correctional Institution for Women in Jessup, in spring 2026. The pilot program is scheduled to terminate on December 31, 2028.

Operating Budget Recommended Actions

1. Amend the following language:

, provided that this appropriation shall be reduced by ~~$722,970~~ $1,408,939 contingent upon the enactment of legislation to require local governments to share increased retirement costs.

Explanation: This action increases the amount of the reduction in general funds for Retirement for Libraries, R11A11.04, that is contingent on the enactment of legislation that reduces the State share of annual employer pension contributions for members of the Teachers' Retirement System/Teachers' Pension System employed by local libraries.

Budget Reconciliation and Financing Act Recommended Actions

1. Amend a provision to shift all of the fiscal 2027 increase in the State share of the Teachers' Retirement System costs to local jurisdictions, rather than approximately half.

Appendix 1
Local Library Aid
Fiscal 2026-2027
($ in Millions)

Programs	2026 Working	2027 Allowance	Change	Mandates, Description, and Per Capita Information
Public Library Aid	$53.02	$54.32	$1.30	***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. ***Mandates:*** 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. ***Per Capita:*** $18.70 in fiscal 2026 and $19.10 in fiscal 2027.
State Library Network	22.58	24.10	1.51	***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. ***Per Capita:*** SLRC is $2.07 since fiscal 2025; regional centers are $9.79 in fiscal 2026 and $9.99 in fiscal 2027.

Programs	2026 Working	2027 Allowance	Change	Mandates, Description, and Per Capita Information
Aid for Local Library Employee Fringe Benefits	27.66	27.99	0.33	***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:*** The BRFA of 2026 includes a provision that reduces the State share of retirement costs for local public library employees by $722,970 in general funds beginning in fiscal 2027 and requires local governments to assume a greater share of retirement costs.

BRFA: Budget Reconciliation and Financing Act
LBPD: Maryland State Library for the Blind and Print Disabled
SLRC: State Library Resource Center

Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 allowance accounts for contingent reductions.

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

Appendix 2
Object/Fund Difference Report
Maryland State Library Agency

Object/Fund	FY 25 Actual	FY 26 Working Appropriation	FY 27 Allowance	FY 26 - 27 $ Change	FY 26 - 27 % Change
Positions					
01 Regular	33.00	32.00	34.00	2.00	6.3%
02 Contractual	0.00	0.00	0.00	0.00	N/A
Total Positions	**33.00**	**32.00**	**34.00**	**2.00**	**6.3%**
Objects					
01 Salaries, Wages, and Fringe Benefits	$4,579,383	$4,483,230	$5,202,094	$718,864	16.0%
03 Communications	9,108	8,240	8,740	500	6.1%
04 Travel	51,755	56,485	68,000	11,515	20.4%
06 Fuel and Utilities	142,303	123,500	143,500	20,000	16.2%
07 Motor Vehicle Operation and Maintenance	18,605	25,540	24,540	-1,000	-3.9%
08 Contractual Services	1,223,526	1,124,061	871,910	-252,151	-22.4%
09 Supplies and Materials	45,747	63,800	48,750	-15,050	-23.6%
10 Equipment – Replacement	0	5,000	0	-5,000	-100.0%
12 Grants, Subsidies, and Contributions	98,555,848	104,162,474	106,806,730	2,644,256	2.5%
13 Fixed Charges	157,895	163,433	159,786	-3,647	-2.2%
Total Objects	**$104,784,170**	**$110,215,763**	**$113,334,050**	**$3,118,287**	**2.8%**
Funds					
01 General Funds	$101,451,705	$106,224,033	$109,382,794	$3,158,761	3.0%
05 Federal Funds	3,332,465	3,991,730	3,951,256	-40,474	-1.0%
Total Funds	**$104,784,170**	**$110,215,763**	**$113,334,050**	**$3,118,287**	**2.8%**

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include contingent reductions or statewide salary adjustments budgeted within the Department of Budget and Management.