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**RA01**

**Maryland State Library Agency - Capital**

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**Maryland State Library Agency**

**Response to the Analyst's Review**

**House Capital Budget Subcommittee  
March 6, 2019**

**Senate Capital Budget Subcommittee  
March 7, 2019**



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State Librarian**

**The Maryland State Library Agency (MSLA) welcomes this opportunity to share with the Committee some of its success stories and to address information in the analysis.**

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As noted in the analyst's description of the program, the State Library Resource Center is a valuable component of Maryland's Library Network. While not part of the fiscal 2020 request, MSLA gratefully acknowledges the funding previously authorized by the General Assembly through fiscal 2019 to complete renovations to this facility. This \$104,444,000 project at the Central Branch of the Enoch Pratt Free Library in Baltimore City is nearly complete and will result in a fully renovated facility that is the crown jewel of Maryland's public library network. Although work will continue for a few more months, a major milestone has been reached. The library is currently closed to the public March 1 through 10 while collections are moved back into their permanent location on the first floor. The Grand Reopening ceremony is scheduled for September 14, 2019.

MSLA also wishes to express its appreciation to the General Assembly for the legislation enacted in fiscal 2008 to create the Public Library Capital Grant Program and for implementing the wealth-based cost sharing formula in fiscal 2014. The increase in the State share for counties with less wealth has enabled 22 of Maryland's 24 public library systems to participate in the program. Funding is included for the Calvert County Library during fiscal 2020, bringing the total to 23.

Fiscal 2020 is the thirteenth year that State assistance will be available to public libraries in Maryland. Since the inception of the program in Fiscal 2008, \$55,025,000 has been authorized, leveraging approximately \$300,000,000 in local matching funds, or nearly six times the amount of the State's investment. Program priorities include geographic diversity in grant distribution and stimulating local support for library facilities development.

While tremendous strides have been made in improving public libraries, the need for this program continues. As noted in the analysis, there are 24 public library systems in Maryland with a total of 191 branches. A recent assessment indicated that 65 of the State's existing libraries are more than 25 years old, 34 are more than 50 years old, and 7 are more than 100 years old. The same assessment indicated that over the next two years, more than \$217,000,000 is needed for general renovation, alteration, expansion and replacement of these facilities. \$5,681,000, or \$681,000 more than the \$5,000,000 allocated for the entire program annually, is necessary just to replace outdated HVAC systems. National library space planning guidelines recommend that one square foot (SF) per capita is the minimum required to provide basic services for the community. In Maryland, the average net SF of public library space remains at 0.5 SF per capita while the average gross SF is 0.6.

As noted, most awards have been for smaller, but critical, projects such as new roofs and replacement windows or upgrades to the electrical and technology infrastructure to enhance 21<sup>st</sup> Century library service. However, fourteen new libraries, more than one per year, have opened with assistance from the program and are listed in the analysis. Five additional new construction projects are currently underway in Annapolis (Anne Arundel), Leonardtown (St. Mary's), Myersville (Frederick), Wheaton (Montgomery) and North East (Cecil). Two more in Riveria

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Beach (Anne Arundel) and Twin Beaches (Calvert) are recommended during fiscal 2020 which will bring the total to 21.

**MSLA should update the committees on steps that are being taken to ensure that future requests for this (Allegany County) project do not crowd out other projects from receiving State funds.**

During the fiscal 2020 application cycle, MSLA received 12 requests from 12 library systems totaling \$11,202,000. MSLA received 9 requests totaling \$10,114,000 during fiscal 2019. It is not unusual for requests to exceed the \$5,000,000 mandated for the program

Instead of taking steps to discourage any library system from participating in the program at the level authorized by the General Assembly, MSLA staff works closely with all applicants to ensure their requests for construction funds do not exceed the percentage allowed. Additionally, the review team appointed by MSLA evaluates the request against the project schedule and verifies the viability of the local match.

This same scrutiny is applied to every project, both large and small, either renovation or new construction, each year. All 24 library systems, including Allegany County, and MSLA are aware that the program is capped at \$5,000,000. The out-year costs for the LaVale Library, as well as all of the recommended projects, reflect the total that was anticipated when the current request was submitted in May 2018. This may not be the same amount recommended for future funding in fiscal 2021 and beyond.

This is a competitive grant program, therefore all proposals are reviewed annually to ensure the broadest possible allocation of funds statewide and to provide a fair and equal opportunity for all library systems to benefit from the program. As noted in the analysis, especially in regard to Cecil County, awards are reduced when requests exceed available resources.

Until proposals for fiscal 2021 are submitted on May 22, 2019, MSLA cannot be certain what amounts will be requested. Current projects may fall behind schedule, cost estimates may change, and new projects will undoubtedly be received. MSLA will continue to recommend funding for projects as outlined in statute.

Finally, as noted in the analysis, the cost sharing formula enacted in fiscal 2014 has resulted in an increase in both the number of projects and jurisdictions receiving awards, particularly to geographic areas with less wealth. The substantial allocations received by Howard, Washington and Montgomery Counties before fiscal 2014 (when those systems had very large new construction projects and when the local match was 50% for all library systems) are now comparable to the totals received by Baltimore City and Somerset County.

During fiscal 2014 and 2015, MSLA was able to allocate more than \$5,000,000, or 90% of the total cost, for the new Crisfield Library in Somerset County. This unprecedented level of

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funding was only possible because fewer requests were received during those application cycles along with the reallocation of funds from other projects that were rescinded at the same time. The bottom line is that Crisfield simply would not have a new library today without this level of State support.

While we understand the analysts concerns about the possibility of a single project requiring most of the State's resources in one year, Allegany County's request for the LaVale project is probably not the issue since the General Assembly has already outlined very clear limits, guidelines and goals for the distribution of grant awards. Instead, the larger problem may be that new library buildings cost far more than \$5,000,000. Therefore, large construction projects are always going to exceed the funding available. Over the past decade, we have worked very hard to meet the General Assembly's goals for the program and again, we are extremely grateful for your support of public libraries.

With regard to the specific recommendations noted in the analysis:

### **Recommended Actions**

**Approve the \$5,000,000 general obligation bond authorization for the Public Library Capital Grant Program.**

MSLA concurs.