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**Maryland State Library Agency - Capital**

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**Maryland State Library Agency**

**Response to the Analyst's Review**

**Senate Capital Budget Subcommittee  
February 22, 2022**

**House Capital Budget Subcommittee  
February 23, 2021**



**State Librarian**

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

The Maryland State Library Agency (MSLA) wishes to express its appreciation to the General Assembly for the legislation enacted unanimously in fiscal 2008 to establish the Public Library Capital Grant Program and for implementing a wealth-based cost sharing formula in fiscal 2014. The increase in the State share for counties with less wealth, such as Allegany and Somerset, has enabled 23 of Maryland's 24 public library systems to participate in the program. During the current Session, SB 847 and HB 1249, if enacted, will enable the distribution of funds to Garrett County's Ruth Enlow Library, the only library system that has not benefitted from the program, possibly as soon as fiscal 2024.

Fiscal 2023 is the sixteenth year that State assistance will be available to public libraries in Maryland. Program priorities include geographic diversity in grant distribution and stimulating local support for library facilities development. Since the inception of the program, \$74,825,000 has been authorized, leveraging more than \$365,000,000 in local matching funds, or nearly five times the amount of the State's investment.

While the majority of the grant awards have funded basic, but critical renovations including roof, window and HVAC replacement, 19 new public libraries have been opened with State support with the dedication of the new Northeast Library in Cecil County on April 23, 2021. A virtual tour of the new Northeast Library is available at <https://my.matterport.com/show/?m=MHu6zaMFEXn> and of particular note, the library worked with the construction manager to design a bid process that prioritized outreach to the local contracting community. While there are very few large General Contractors in Cecil County, there are many qualified subcontractors. The library held a local outreach fair with Cecil County contractors, representative of all trade divisions, to discuss the project and share information about all of the opportunities. Forty local subcontractors participated in this meeting and county government has now integrated a similar twice-yearly procurement event based on the success of the library's efforts. As a result, a significant number of project dollars and some key contracts went to qualified local contractors, including the site work and excavation contract.

Three more new library facilities are currently underway in Anne Arundel (Riviera Beach), Calvert (Twin Beaches) and Frederick (Middletown) Counties which will bring the total to 22 new public libraries made possible by this grant program.

As you recognized during last year's Session, this level of progress was not sustainable while funding remained flat and construction costs continued to escalate. As the analyst points out, funding requests have averaged approximately \$9.7 million per year, with a range from \$7.6 to \$11.2 million per year and an average shortfall of \$3.2 million from the allowance. We are grateful for the General Assembly's approval to increase the mandate to \$7.5 million, but fiscal 2023 requests continue to exceed the mandated amount by nearly \$3.5 million in fiscal 2023.

According to the most recent statewide facilities assessment conducted in November 2021, more than half of the 190 public library buildings in Maryland are over twenty five (25) years old. Consequences of this aging infrastructure are: 19 buildings need a new roof, 10 facilities require alterations for ADA compliance, 24 libraries have HVAC systems that are at the end of their useful life, 37 buildings require technological upgrades in order to provide 21<sup>st</sup> century library services, 55 existing facilities require general renovation at an estimated cost of \$89,202,000, and 15 buildings have been identified for replacement with a new structure at an estimated cost of \$301,505,000.

In addition to the mandated \$7,500,000 included in the Governor's Capital Budget for fiscal 2023, **MSLA requests your approval of supplemental funds totaling \$1,194,000 for the new Middletown Library project in Frederick County.** MSLA was notified of a shortfall in total project funds following the completion of 100% construction documents, but after the proposed budget was finalized. The project is currently under permitting, and the total project cost estimate including design, construction and furnishings now totals \$10,100,000. The increase is due to both expanded prevailing wage requirements as well as construction cost increases since May 2021 when the funding request was submitted to MSLA. HB 457 from the 2021 Session expanded the applicability of the state's prevailing wage law to include (1) a public work project contract with a value of \$250,000 or more (instead of \$500,000 or more, under prior law) and (2) a public work project for which state funds constitute at least 25% of the construction costs (instead of at least 50% of construction costs, under prior law). The bill applies to a public work project contract executed on or after October 1, 2021, i.e., the new Middletown Library. Without this supplemental funding increase, completion of the project may be delayed while the County finds local funding to offset the deficit. The requested supplemental funds would equal the 50% State's share under the existing formula.

Similarly, **MSLA requests supplemental funding of \$1,378,000 in fiscal 2023 for the Catonsville Library renovation in Baltimore County.** The project was funded in fiscal 2020, but was delayed by a significant change in the project scope. Specifically, the project scope had to be redefined to include needed replacement of the main sanitary line to (and under) the building and the addition of a sewage ejector pump system. This scheduling delay resulted in construction cost escalation during the pandemic as well as increased costs for the necessary new project scope. Design completion occurred in January 2022 after the proposed budget was finalized. The start date for construction is late May 2022, and the projected total cost is now \$4.13 million. The State previously awarded \$1.1 million in capital grant funding for the project. The State share for Baltimore County is 60% or \$2.478 million.

And finally, **MSLA requests supplemental funding of \$363,000 in fiscal 2023 to offset an anticipated 15% cost increase for the Baden Library renovation in Prince George's County.** The architect recently revised the estimate prior to going out to bid later this month.

In conclusion, we wish to thank members of the General Assembly for supporting public libraries and recognizing the need to increase the annual funding mandate for the County Library Capital Grant program from \$5,000,000 to \$7,500,000 on a permanent basis beginning in fiscal 2023. **We respectfully request your consideration of total supplemental funding of \$2,935,000 in fiscal 2023.**