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Maryland State Library Agency - Capital

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Response to the Analyst's Review

**House Capital Budget Subcommittee
February 19, 2024**

**Senate Capital Budget Subcommittee
February 20, 2024**



**Irene M. Padilla
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 establishing the Public Library Capital Grant Program in FY 2008, implementing a wealth-based cost sharing formula in FY 2014 and for increasing the funding mandate from \$5 million to \$7.5 million in FY 2023.

Fiscal 2025 is the eighteenth 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. All 24 library systems in Maryland have received State capital grants to improve one or more of their facilities. Since the inception of the program, \$93.8 million has been authorized, leveraging approximately \$375 million in local matching funds, or four 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, 18 new public libraries have been opened with State support. Three additional new libraries are scheduled to open later this spring in Anne Arundel (Riviera Beach), Calvert (Twin Beaches) and Frederick (Middletown) counties, which will bring the total to 21. MSLA's FY 2025 capital budget request includes another 3 new library projects currently under design in Anne Arundel (Glen Burnie), Garrett (Friendsville) and Worcester (Pocomoke) counties.

MSLA should comment on the anticipated supplemental requests for future fiscal years and discuss strategies for managing its future project pipeline to mitigate the need for supplemental funding above the mandate in the future.

As you recognized by increasing the funding mandate to \$7.5 million in FY 2023 and by providing supplemental funding of more than \$4 million in FY 2024, this level of progress was not sustainable while funding remained flat at \$5 million annually for 15 years and construction costs continued to escalate. As the analyst points out, "the mandated allocation is insufficient to fully fund projects" in FY 2025 and "supplemental funds totaling \$4.5 million are needed to enable all projects currently in the design phase to progress to construction according to their schedules."

We are extremely grateful for the General Assembly's decision to increase the funding mandate for the program, but future funding for urgent projects will likely continue to exceed the mandated amount. The agency accepted notices of intent from library systems through February 15, 2024 to request FY 2026 funds. In addition to the continuing projects mentioned by the analyst, MSLA is aware of at least five more new construction projects and three renovation projects that will request more than \$16 million in State funding in FY 2026. The total cost of these projects exceeds \$115 million. These totals do not include any of the critical improvements to library facilities in Baltimore City at an estimated cost of \$51.1 million or the cost of \$337.5 million to address all necessary repairs. The only way the agency can accommodate statewide requests for library facilities is through additional supplemental funding for the program. The alternative is to defer funding for new projects while costs of completing them escalate.

According to the most recent statewide facilities assessment conducted in November 2023, 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, 8 facilities require alterations for ADA compliance, 30 libraries have HVAC systems that are at the end of their useful life, 41 buildings require technological upgrades in order to provide 21st century library services, 54 existing facilities require general renovation at an estimated cost of \$106.6 million. 18 buildings have been identified for replacement with a new structure at an estimated cost of \$437.8 million.

MSLA urges the Committee to continue its investment in public libraries.

GO Bond Recommended Actions

Approve the \$11,961,000 in general obligation bond funding for the Public Library Capital Grant Program.

The agency concurs.