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Maryland State Library Agency - Capital

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Response to the Analyst's Review

**House Appropriations Capital Budget Subcommittee
February 24, 2025**

**Senate Budget & Taxation Capital Budget Subcommittee
February 25, 2025**

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RA11 MSLA FY 2026
Capital Budget Response to the Analyst's Review

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 2026 is the 18th year that State capital grant funding 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 grant funding to improve one or more of their facilities. Since the inception of the program, more than \$101 million has been authorized, leveraging approximately \$380 million in local matching funds, or nearly 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, 21 new public libraries have been opened with State support. In 2024, three new libraries opened thanks to this program in Anne Arundel (Riviera Beach), Calvert (Twin Beaches) and Frederick (Middletown) counties.

MSLA's FY 2026 capital budget request includes another 5 new library facilities in Baltimore City (Park Heights), Garrett (Friendsville), Frederick (West Frederick), Montgomery (Clarksburg) and Worcester (Pocomoke) counties. Three of these new construction projects (Park Heights, West Frederick and Clarksburg) are in communities that currently do not have a public library facility. Funding is requested for additional renovation and/or expansion projects in Baltimore (North Point), Cecil (Elkton), Kent (Chestertown) and Wicomico (Salisbury) counties.

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.

As the General Assembly recognized by increasing the funding mandate to \$7.5 million in FY 2023, 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, there is a "total of \$20.2 million in anticipated future requests to complete six of these (2026) projects. Rather than suggesting a need for supplemental funding, this highlights how the program has exceeded its mandated funding levels in fiscal 2024 and 2025. If these additional requests move forward, they would consume 90% of total planned funding for fiscal 2027 through 2029, significantly limiting the ability to fund new projects within the mandated allocation."

We are extremely grateful for the General Assembly's decision to increase the funding mandate for the program. However, future funding requests for urgent and necessary projects will continue

to exceed the mandated amount because the statewide need for library facilities development is tremendous.

The agency is currently accepting notices of intent from library systems to request FY 2027 funds. In addition to the continuing projects mentioned by the analyst, MSLA is aware of at least two additional new construction projects in Charles (LaPlata) and Washington (Williamsport) counties, along with renovation projects across Maryland that will request State funding in the next cycle. This does 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 at the Enoch Pratt Free Library system that were outlined in the 2024 Joint Chairmen's Report. The only way the agency can accommodate statewide requests for library facilities is through supplemental funding for the program. The alternative is to defer funding for new projects while the cost of completing them escalates. During the FY 2026 cycle, more than \$5 million is being deferred to keep our total request within the mandate, which increases the cost to complete the projects in future budget cycles.

According to the most recent statewide facilities assessment conducted in November 2024, 123 of the 192 public library buildings in Maryland are over 25 years old. Consequences of this aging infrastructure are: 20 buildings need a new roof, 17 facilities require alterations for ADA compliance, 53 libraries have HVAC systems that are at the end of their useful life, 50 buildings require technological upgrades in order to provide 21st century library services, 69 existing facilities require general renovation at an estimated cost of \$133,605,404, and 18 buildings have been identified for replacement with a new structure at an estimated cost of \$495,657,598.

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

GO Bond Recommended Actions

Approve the \$7.5 million in general obligation bond funding for the Public Library Capital Grant Program.

The agency concurs.