

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 770
Appropriations

(Delegate Smith)

Enoch Pratt Free Library - Collective Bargaining

This bill grants collective bargaining rights to employees of the Enoch Pratt Free Library, by requiring that employees of the Enoch Pratt Free Library be considered persons holding a position in the service of the Mayor and City Council of Baltimore, as specified. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: Any fiscal effect is contingent on Enoch Pratt Free Library employees being determined to be employees holding a position in the service of the Mayor and City Council of Baltimore, as explained below. To the extent Enoch Pratt Free Library employee's salaries increase due to the collective bargaining process, general fund expenditures increase to pay increased retirement costs beginning in FY 2025. However, any such impact is likely not material, as explained below. Revenues are not affected.

Local Effect: Any fiscal effect is contingent on Enoch Pratt Free Library employees being determined to be employees holding a position in the service of the Mayor and City Council of Baltimore, as explained below. Enoch Pratt Free Library expenditures may increase due to increases in library employee salaries and increases in retirement costs for non-State eligible employees. Baltimore City expenditures for the Enoch Pratt Free Library may increase through the budget process.

Small Business Effect: None.

Analysis

Current Law:

Article VII, § 99 of the Baltimore City Charter

According to the [Baltimore City Charter](#) (Article VII, § 99), all employees of the City of Baltimore, except as otherwise provided by the Charter or State law, must be members of the civil service, with the exception of:

- elected officials and those employees whom the elected officials have designated as members of their personal staff;
- assistant city solicitors;
- with the exception of the Director of the Department of Legislative Reference, directors, or by whatever other name the chief administrative officer may be known, and the deputy directors, of all departments of the city;
- all members of boards and commissions;
- all professional employees of the Department of Education;
- persons in positions of temporary or seasonal employment; and
- persons who, in the judgment of the Civil Service Commission, exercise policymaking discretion or occupy a position of special trust and confidence that is inconsistent with membership in the civil service.

Any dispute about whether a position is within the civil service must be finally resolved by the Civil Service Commission.

Upon leaving a position of director or deputy director, an individual who relinquished civil service status to assume that position must, on application and with approval of the Civil Service Commission, be placed on the re-employment list for his or her former classification.

Baltimore City Municipal Labor Relations Article 12

According to [Article 12 of the Baltimore City Municipal Labor Relations](#), an employee is defined as any person holding a position in the service of the Mayor and City Council of Baltimore, required by Article VII, § 99 of the City Charter to be classified, as specified. In case of doubt, the Labor Commissioner must determine who is an employee. However, anything in the article notwithstanding, the governing body of Enoch Pratt Free Library may determine by appropriate resolution to extend the definition of “employees” to include any of its employees for the purpose of collective bargaining and other related rights.

Enoch Pratt Free Library – Generally

The Enoch Pratt Free Library serves as the public library system in Baltimore City and as the State Library Resource Center (SLRC). It was established in 1882 (Chapter 181) through a donation from Enoch Pratt who insisted that the library serve all city residents, “rich and poor without distinction of race or color.” A private self-perpetuating board of trustees administers the Enoch Pratt Free Library.

Governance Structure – Statute

The Mayor and City Council of Baltimore must be governed by the requirements and regulations pertaining to the Enoch Pratt Free Library of Baltimore as provided in Chapter 181 of 1882 and any other laws applicable to the operation of public libraries. The powers and duties of the Board of Trustees of the Enoch Pratt Free Library are as provided in Chapter 181 and the Charter and Articles of Incorporation of the Enoch Pratt Free Library and other laws applicable to the Board of Trustees of the Enoch Pratt Free Library.

Governance Structure – Bylaws

According to the bylaws of the Enoch Pratt Free Library, the board of trustees has ultimate responsibility for the control and management of the library. The board of trustees appoints a board of directors to carry out the management and affairs of the library under the oversight and control of the board of trustees. The board of trustees must hold its annual meeting in September plus three additional regular meetings. The board of trustees must consist of 9 to 50 members. A library trustee must be a State citizen and reside in Baltimore City. Trustees can serve an unlimited number of years as long as they maintain their city residency and attend annual meetings. The board of trustees is responsible for appointing new trustees.

The board of trustees elects the members of the board of directors. Members of the board of directors must be State residents, and a majority must be members of the board of trustees. Whereas the trustees must be Baltimore City residents, members of the board of directors do not have to reside in Baltimore City. Members of the board of directors are elected to three-year terms and can serve a maximum of two terms. The board of directors can consist of up to 25 members. The board of directors must hold its annual meeting in September following the annual meeting of the board of trustees plus three other regular meetings.

Fiscal Structure

The Enoch Pratt Free Library was designated SLRC by the General Assembly in 1971. This designation and accompanying State support allow all Maryland citizens to have

access to the public library system. Acting in place of the state library that exists in most states, SLRC works cooperatively with other libraries in a network that allows materials and information to be shared statewide.

State operating funding for the Enoch Pratt Free Library comes from three primary sources: (1) the County-State Minimum Library Program; (2) the SLRC grant; and (3) the increased operations grant.

For fiscal 2023 and each fiscal year thereafter, the Governor must include an appropriation of \$3.0 million to support the additional operating expenses for the increased hours of operation of all branches of the Enoch Pratt Free Library subject to increased operating hours and Baltimore City providing a 25% matching grant.

In fiscal 2020, the Enoch Pratt Free Library received \$20.5 million from the State, \$6.5 million under the County-State Minimum Library Program, \$11 million under the State Library Resources Center grant, and \$3.0 million in continued support of a 30% expansion in service hours first implemented in early 2018. In addition, the State provides \$2.4 million in direct support of retirements costs for library employees who are members of the State Retirement and Pension System. Finally, the State provided \$94 million in capital project support. The Enoch Pratt Free Library of Baltimore City has 1 central library and 21 branches. The operating budget for the Enoch Pratt Free Library totals \$46.1 million in fiscal 2020.

State Library Network

Since 1888, the State has provided funds to support public libraries throughout the State under what is now known as the State library network. The network consists of the Central Library of the Enoch Pratt Free Library System in Baltimore City, three regional resource centers, and metropolitan cooperative service programs. All these systems receive State funding for operating expenses. The Central Library of the Enoch Pratt Free Library operates as the designated SLRC. Funding levels for SLRC are set at \$1.93 per resident in fiscal 2023 and will increase to \$1.97 per resident in fiscal 2024. In subsequent years, the funding level is set to remain at \$1.97 per resident. Under the Governor's proposed fiscal 2023 State budget, funding for SLRC totals \$11.9 million.

State Expenditures: Any fiscal effect is contingent on Enoch Pratt Free Library employees being determined to be employees holding a position in the service of the Mayor and City Council of Baltimore. Due to the management structure of the Enoch Pratt Free Library, it is unclear if Enoch Pratt Free Library employees may be granted collective bargaining rights in the manner required by the bill.

The bill has no direct effect on State expenditures; however, if collective bargaining rights are granted, State retirement benefit payments may increase, as explained below. Any increase in salaries for Enoch Pratt Free Library employees is largely dependent on additional State or Baltimore City funds being made available through the State legislative process or the Baltimore City budget process and the outcome of any collective bargaining process.

State Library Resources Center

The Maryland State Library Agency contracts with the Enoch Pratt Free Library to manage SLRC; thus, any increase in salaries for Enoch Pratt Free Library employees must be absorbed by SLRC if the library does not receive additional revenues. As explained above, SLRC receives a set amount of funding based on the number of State residents.

Retirement Benefits

The State pays retirement benefits for eligible library employees based on the salaries of eligible library employees in the second prior fiscal year. If library employees choose to bargain collectively, the salary base for librarians may increase beginning in fiscal 2024, depending on the outcomes of the collective bargaining process. An increased salary base results in higher librarian retirement payments in the second fiscal year following the increase.

For illustrative purposes, if Enoch Pratt Free Library librarians' salaries increase by an additional 1% each year (above an assumed 2.75% annual increase), State library retirement contributions will increase by an estimated \$21,000 in fiscal 2026. This estimate includes library salaries that are part of the State retirement system of \$17.8 million and a State retirement contribution rate of 11.89% in fiscal 2026.

Local Expenditures: Any fiscal effect is contingent on Enoch Pratt Free Library employees being determined to be employees holding a position in the service of the Mayor and City Council of Baltimore.

The bill has no direct effect on local finances. However, if collective bargaining rights are granted, negotiations may result in higher compensation and benefits for Enoch Pratt Free Library employees. Any such increases are largely dependent on additional funding being made available through the State legislative process (as State aid for the library is fixed) or the Baltimore City budget process.

Full-time Enoch Pratt Free Library employees are required to participate in either the City of Baltimore's Employee Retirement System or the Maryland State Teachers' Retirement System. Placement into either system is based upon the employee's job position and

function. To the extent salaries increase for non-State eligible employees, local expenditures for retirement costs may also increase.

Enoch Pratt Free Library Budget Process

The Enoch Pratt Free Library receives funding from Baltimore City through the budget process. The library submits an anticipated budget for its general fund, which must be approved through the Board of Estimates, the City Council, and the mayor. Thus, if additional funds are approved through the budget process, Baltimore City expenditures may increase. The library is subject to the budgetary control and expenditure authorization of the city concerning the appropriations included in the general fund.

Increased Labor Negotiations

Enoch Pratt Free Library expenditures may increase to hire outside mediators and labor attorneys. Costs will depend on the number of cases per year and the negotiation process adopted, and thus cannot be reliably estimated.

Additional Comments: The bill does not establish a designated number of units. It is assumed that Enoch Pratt Free Library employees eligible for collective bargaining under the bill will bargain as one unit.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Library Agency; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2022
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