

RA11
Maryland State Library Agency

Capital Budget Summary

Grant and Loan *Capital Improvement Program*
(\$ in Millions)

Program	2020 Approp.	2021 Approp.	2022 Request	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate
----------------	-------------------------	-------------------------	-------------------------	--------------------------	--------------------------	--------------------------	--------------------------

Public Library Capital Grant Program	\$5.000	\$7.300	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
Total	\$5.000	\$7.300	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000

Fund Source	2020 Approp.	2021 Approp.	2022 Request	2023 Estimate	2024 Estimate	2025 Estimate	2026 Estimate
--------------------	-------------------------	-------------------------	-------------------------	--------------------------	--------------------------	--------------------------	--------------------------

GO Bonds	\$5.000	\$7.300	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000
Total	\$5.000	\$7.300	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000

GO: general obligation

Key Observations

The 2022 capital budget includes the mandated \$5 million in funding for the Public Library Capital Grant Program for six projects in six jurisdictions.

Summary of Recommended Bond Actions

1. Public Library Capital Grant Program

Approve the \$5,000,000 in general obligation bond funding.

Program Description

The Maryland State Library Agency (MSLA) provides strategic leadership, resources, and programmatic support and administers State and federal funds to Maryland public libraries. Chapters 337 and 338 of 2017 established MSLA as an independent State agency. MSLA oversees the Public Library Capital Grant Program, which serves the 24 public library systems across the State. Many of these branches are in need of replacement, renovation, or alteration. The State is also responsible for paying the capital expenses for the State Library Resource Center and for three regional library resource centers.

Public Library Capital Grant Program

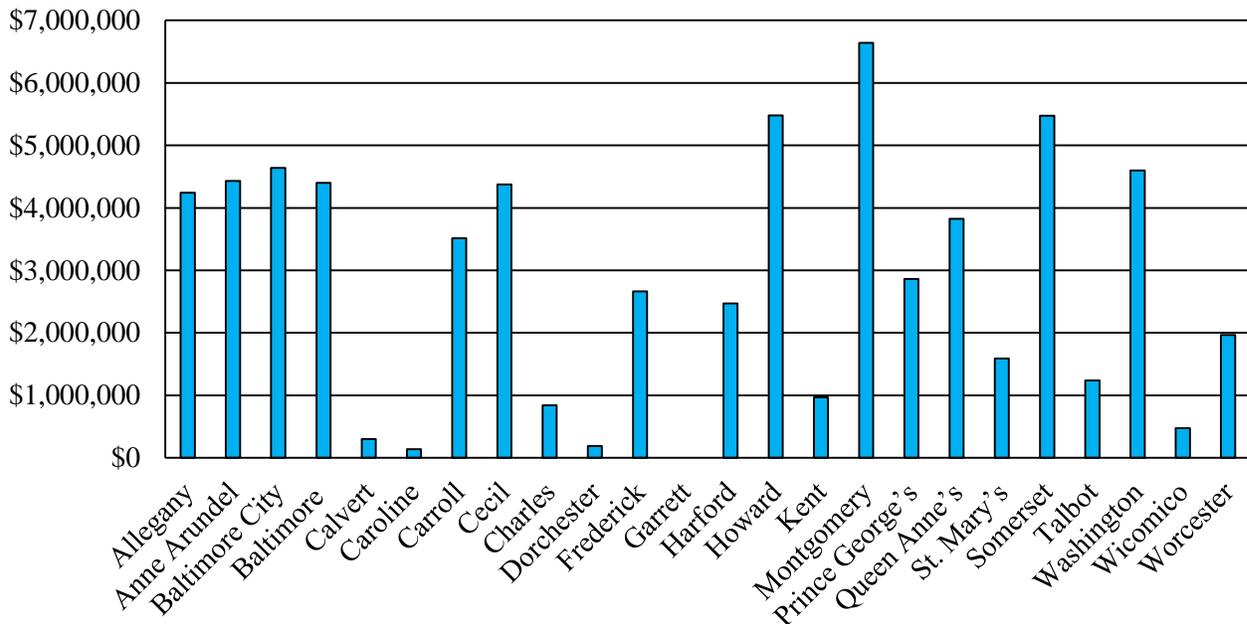
The Public Library Capital Grant Program was established by Chapter 494 of 2006 and awarded its first grants in fiscal 2008. The program provides funds to local libraries for capital improvements to existing libraries or construction of new facilities. Section 23-509 of the Education Article mandates \$5 million in annual funding for the program. To apply for a grant, local public library systems must develop a countywide library plan and produce a master plan describing the capital projects approved by the applicant's governing body. MSLA reviews applications and submits recommendations to the State Library Board for approval. This list of approved projects is then forwarded to the Department of Budget and Management for review and inclusion into the budget. Grants from the program require a match from any combination of county, municipal, or private sources. State grants may not be less than \$20,000. Library systems may request funding up to a maximum percentage of a project's cost. This maximum percentage is calculated for local library systems by the wealth-based cost-sharing formula passed by the General Assembly and ranges from 50% to 90%, based on that jurisdiction's wealth.

The statute outlines the criteria to be used to make funding recommendations:

- the public necessity and urgency of a project;
- the need for additional sources of funding for a project;
- the estimated cost and timeliness of executing a project;
- the viability of matching funds for a project; and
- geographic diversity.

The total allocation for the program since its first round of authorizations in fiscal 2008 is shown in **Exhibit 1**. Montgomery County has received the largest share of total allocations (\$6.6 million), followed by Howard and Somerset counties (\$5.5 million).

Exhibit 1
Total Public Library Capital Grant Allocation
Fiscal 2008-2021



Source: Maryland State Library Agency

Over the 14 years that the Public Library Capital Grant Program has existed, the number of projects and jurisdictions receiving allocations has fluctuated and, in some years, allocations were more than the annually authorized \$5 million due to funds from previous years that were rescinded and recycled to support other projects. While many awards fund smaller but critical renovation projects, such as roof replacements or new windows, 18 new libraries have opened across the State with assistance from the program.

Budget Overview

The fiscal 2022 Public Library Capital Grant Program allocation totals \$5 million. In total, six projects are included, ranging in amounts from \$70,000 to \$2 million. The fiscal 2022 proposed projects are shown in **Exhibit 2**. Though projects are eligible for a State match of 50% to 90% of the total project cost as determined by the cost-sharing formula, the State funding share of the total project cost is often lower. Given the limited resources available for the program, library systems often limit the size of the request to improve the odds of receiving funding. The review committee often does not recommend fully funding a project request to ensure geographic diversity in the allocation of funds.

Exhibit 2
Public Library Capital Grant Program Project List
Fiscal 2022
(\$ in Thousands)

<u>County</u>	<u>Project Description</u>	<u>Estimated Total Cost</u>	<u>Prior Auth.</u>	<u>2022 Request</u>	<u>Future Request</u>	<u>Total State Share</u>
Allegany	LaVale Library Renovation and Expansion – Renovate and expand the existing 9,300 GSF library to a 17,300 GSF facility.	\$4,800	\$2,360	\$1,637	\$0	90%
Anne Arundel	New Riviera Beach Library – Construct a new 20,000 GSF facility on the site of the existing 10,500 GSF Riviera Beach Library.	14,772	2,700	163	0	19%
Calvert	New Twin Beaches Library – Construct a new 17,788 GSF facility to replace the current leased space in Chesapeake Beach.	9,101	300	2,000	1,500	42%
Caroline	Denton Library Renovation – Renovate the first floor of the Central Library.	1,150	0	70	838	79%
Frederick	New Middletown Library – Construct a new 15,250 GSF facility in Middletown to replace the existing 2,917 GSF facility.	8,270	300	1,000	1,000	28%
Queen Anne’s	Kent Island Library Renovation and Expansion – Renovate and expand the existing 10,104 GSF library to a 21,280 GSF facility.	7,957	3,825	130	0	50%
Total		\$46,050	\$9,485	\$5,000	\$3,338	

GSF: gross square foot

Source: Department of Budget and Management

Allegany County – LaVale Library

Allegany County is requesting an award of \$1.637 million during fiscal 2022 for completion of construction and to equip the LaVale Library renovation and expansion project, which will increase the facility's size from 9,300 gross square feet (GSF) to 17,300 GSF and will become the new hub of the Allegany County Library System. The existing facility's infrastructure is more than 40 years old, and the facility is undersized and functionally inadequate. This project will replace and upgrade all mechanical systems, increase programming and staff space, and reconfigure the layout of the facility to make the collections easier to browse.

The estimated total cost of the project is \$4.8 million, a slight increase from last session's estimate. The project scope has been revised several times to keep the estimated project cost in line with the budget established by the county. The State's share of the project is 90%, which is based on the program's wealth-based cost-sharing formula and would grant the maximum amount of State funding allowed. Construction began in November 2020 and is projected to be complete in May 2022.

Anne Arundel County – Riviera Beach Library

Anne Arundel County is requesting an award of \$163,000 in fiscal 2022 to complete construction and equip the new Riviera Beach Library. The new facility will be 20,000 GSF and is being built on the existing site of the 10,500 GSF Riviera Beach Library. The new facility will provide expanded room for staff, programming, and collections. The estimated total cost of the project is \$14.772 million, which reflects a decrease from the estimated cost of \$17.451 million stated in last year's *Capital Improvement Program (CIP)*. This decrease reflects value engineering efforts to keep the project cost in line with the budget established by the county. Construction began in August 2020 and is projected to be complete in December 2021.

Calvert County – Twin Beaches Library

Calvert County is requesting an award of \$2 million in fiscal 2022 to begin construction of the new Twin Beaches Library. The new library will be a 17,778 GSF facility located in the town of North Beach and will replace 4,620 GSF of leased space in the town of Chesapeake Beach. The current space is undersized to meet the area's population and projected population growth. This project will create new meeting, study, and tutoring rooms, as well as a dedicated area for children's programming. The current facility is also not Americans with Disabilities Act compliant, which the project will address.

This project previously appeared in the 2019 CIP and was authorized to receive \$300,000 for its design phase in fiscal 2020 but was not funded during fiscal 2021 due to project schedule delays. Due to delays in the transfer of a parcel of land from the town of North Beach to Calvert County in December 2019, a design contract was not awarded until February 2020. Design is now projected to be complete in May 2021, and construction is scheduled to begin in September 2021. The projected completion date is March 2023. The total cost of the project is now estimated at \$9.101 million, an increase from the cost estimate of \$7.777 million included in the 2019 CIP. This is partially due to the

discovery that additional structural support would be needed to build on the planned site. Calvert County anticipates a future request of \$1.5 million to complete construction.

Caroline County – Denton Library

Caroline County is requesting an award of \$70,000 in fiscal 2022 to begin design for the renovation of the first floor of the Central Library. The project will reconfigure the library's layout; replace and upgrade the building's mechanical, electrical, and fire alarm systems; improve lighting; and reconfigure and construct additional restroom facilities. The total cost of the project is estimated at \$1.15 million, and the State's share of the project is 78.96%. Caroline County plans to use a private bequest to fund its share of the project. The county expects a future request of \$838,000 to complete the design of the project and its construction. Design is scheduled to begin in July 2021 and to be completed in May 2022. Construction is projected to begin in July 2022 and be complete in April 2023.

Frederick County – Middletown Library

Frederick County is requesting an award of \$1 million in fiscal 2022 to complete the design and begin construction for a new library in Middletown. The new facility will be 15,250 GSF and will replace the existing 2,917 GSF facility, which is vastly undersized for the needs of the community. The new facility will provide expanded meeting and programming space, expanded storage and restroom facilities, private study rooms, and dedicated teen and early literacy spaces. The total cost for the project is \$8.27 million, a slight decrease from last year's CIP. The State's share of the project is 27.81%, which increases from 16% in fiscal 2021. Frederick County expects a future request of \$1 million to complete construction and to equip the project. Design is projected to be complete in July 2021. Construction is projected to begin in October 2021 and to be complete in January 2023.

Queen Anne's County – Kent Island Library

Queen Anne's County is requesting an award of \$130,000 in fiscal 2022 to complete the construction and equip the Kent Island Library renovation and expansion project. This project will increase the facility's size from 10,104 GSF to 21,280 GSF. The existing facility is undersized to meet the needs of the community due to rapid population growth in its service area. This project will expand meeting space, particularly for students from three public schools located within walking distance of the library; create a dedicated teen space; expand the children's area; expand the library's collections; and upgrade the library's electrical infrastructure. The estimated total cost of the project is \$7.957 million, which is a decrease from the estimated total of \$9.903 million projected in last year's CIP. This decrease is due to value engineering that was completed to address cost constraints for the project. Funding of \$3.835 million was previously authorized for the project's design phase and to begin construction. Construction began in August 2020, and is projected for completion in February 2022.

Reallocation of Funds

The Public Library Capital Grant Program authorization includes language allowing for administrative action by MSLA to reallocate funds previously appropriated to the program to existing or new projects, with notification to the General Assembly of the actions being taken. MSLA informed the committees in May 2020 that \$120,000 in unspent funds that was budgeted in fiscal 2020 for planning for the Worcester County – Pocomoke Library renovation and expansion project was rescinded by the county. Worcester County has begun planning for a new shared library facility with the local Senior Center on a different site. The agency plans to reallocate these funds to the Cecil County – North East Library project.

Updates

1. Proposed Funding Increase for the Public Library Capital Grant Program

A provision in the Building Lifelong Library Learners Act of 2020 (HB 1000/SB 524), which was passed by the General Assembly but vetoed by the Governor for policy reasons, would increase mandated funding for the Public Library Capital Grant Program. Under the provision, the amount mandated for the program would increase from \$5 million to \$7.5 million annually, to be included in either the operating or the capital budget. The General Assembly overrode the Governor’s veto in February 2021.

GO Bond Recommended Actions

1. Approve the \$5,000,000 in general obligation bond funding for the Public Library Capital Grant Program.