

R00A0233
County Library Capital Grants Program
Maryland State Department of Education

Public Library Capital Grant Program

PAYGO GF **\$5,000,000** **Recommendation: Reduce funding by \$2.5 million and add budget bill language**

Bill Text: Provide grants for public library capital projects in accordance with Section 23-501(e)(5) of the Education Article.

Project Description: The Public Library Capital Grants program was established by Chapter 494 of 2006. The Maryland State Department of Education (MSDE) has not published final regulations for the program, and no projects have been submitted to the Department of Budget and Management (DBM) at this time.

Comments: Chapter 494 of 2006 mandates \$5,000,000 in annual funding for a capital grant program for public library projects beginning in fiscal 2008. The State Board of Education (SBE) is required to adopt program regulations and MSDE's Division of Library Development and Services (DLDS) is responsible for administering the new program. To apply for a grant, local public library systems must develop a countywide library plan to file with DLDS and produce a master plan describing the capital projects approved by the applicant's governing body. DLDS will review applications and submit recommendations to SBE for approval. The list of approved projects will be forwarded to the Department of Budget and Management for funding. Grants from the program require a match from any combination of county, municipal, or private sources. State grants may not fund more than 50% of a project's total cost.

MSDE has drafted proposed regulations for presentation to SBE at the February board meeting. The regulations specify the program's administrative procedures, including the timeline for submitting and reviewing grant requests, the criteria for evaluating requests, the State and local cost share formula, and other procedural guidelines. The draft regulations provided to the Department of Legislative Services indicate that the State share will not exceed 50% for any project but makes no further distinctions among the local jurisdictions. Other State capital programs, such as public school construction and community colleges, are wealth-adjusted and adjust the State share of costs based on the State share of the foundation program used to distribute education aid. Following the process required by COMAR, MSDE expects to recommend review and approval of the regulations to SBE in June 2007.

MSDE has reported that local public library systems were notified to begin submitting master plans and grant applications in December 2006 for funding in fiscal 2008. Review and final recommendations for grant awards to SBE are planned in March 2007. Built into that timeline is the hiring of a program manager. In the future, the proposed regulations would require grant applications to be filed in July for funding in the following fiscal year.

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While it is evident that the administrative and procedural requirements necessary to implement this program are underway, the budget as submitted provides no information concerning the projects that would be funded during fiscal 2008. Furthermore, typically for a program that requires a local match, the Department of Budget and Management will require a letter evidencing the local participation for each project. Having a project pipeline with projects certified as “ready to proceed” and evidence of the local match, form the basis of a standard grant and loan program budget request. Neither of these steps has been completed.

The Department of Legislative Services (DLS) recommends that the level of funding for this new program be reduced by half, to \$2.5 million. This will allow funding for the projects, subsequently identified by MSDE, that have both local backing and are ready to use the State grant funds in fiscal 2008. This will provide a phased-in implementation during the first full year of the program.

Furthermore, DLS recommends that funding be conditioned on MSDE’s submitting a project list and required documentation to DBM and the budget committees. Master plans and individual project requests from county library systems statewide will need to be reviewed on a short timeline for fiscal 2008 funding. Meeting the deadlines, particularly without a program manager as of this date, may present significant difficulties.

Fund Data

(\$ in Millions)

<i>Description</i>	<i>2006 Approp.</i>	<i>2007 Approp.</i>	<i>2008 Request</i>	<i>2009 Estimate</i>	<i>2010 Estimate</i>	<i>2011 Estimate</i>	<i>2012 Estimate</i>
PAYGO GF	0.000	0.000	5.000	5.000	5.000	5.000	5.000

Recommended Actions

1. Reduce funding by \$2,500,000. This still leaves \$ 2,500,000 GF
\$2,500,000 for public library capital grants. The remaining funding will allow the program to proceed in fiscal 2008 while the Maryland State Department of Education finalizes administrative regulations, evaluates project applications, and verifies that local matching funds have been secured.

2. Add the following language to the general fund appropriation:

Provided that \$2,500,000 of the appropriation shall not be expended until the Maryland State Department of Education provides to the budget committees a list of the library capital projects approved by the State Board of Education and accompanying documentation on the projects submitted to the Department of Budget and Management. The budget committees shall have 45 days to review and comment.

Explanation: The public library capital grants program was established in 2006 legislation. The report to the budget committees will ensure that the projects in the new program have been evaluated and that the conditions for program funding have been fulfilled before funding is provided.

Information Request	Author	Due Date
Report on public library capital projects.	MSDE	45 days prior to release of funds