

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

Senate Bill 378

(Senator Guzzone, *et al.*)

Budget and Taxation

Appropriations

Education - Regional Resource Centers and County Libraries - Funding

This bill increases the *per capita* funding amount that must be provided to each regional resource center and to each county public library system participating in the State’s library program beginning in fiscal 2028. The bill also alters the types of services that each public library must offer. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund expenditures increase by \$1.2 million in FY 2028 and by \$5.1 million in FY 2031. Future year expenditures reflect *per capita* aid adjustments and population increases. Revenues are not affected. **This bill increases a mandated appropriation beginning in FY 2028.**

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	1.2	2.6	3.8	5.1
Net Effect	\$0.0	(\$1.2)	(\$2.6)	(\$3.8)	(\$5.1)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: State aid to local library systems increases by \$1.2 million in FY 2028 and by \$5.1 million in FY 2031. Local expenditures are likely not materially affected, as discussed below.

Small Business Effect: None.

Analysis

Bill Summary: *Per capita* State aid for regional resource centers is increased by \$0.20 in fiscal 2028; the increase escalates annually until fiscal 2032, when funding is increased by \$1.03 compared to current law. *Per capita* State aid for local public library systems is increased by \$0.40 in fiscal 2028; the increase escalates annually until fiscal 2032, when funding is increased by \$2.05 compared to current law. **Exhibit 1** compares *per capita* State aid under current law and under the bill.

Exhibit 1 *Per capita* State Aid Increases Under Legislation

Fiscal Year	Regional Resource Centers				Local Public Library Systems			
	Current Law	Proposed	Diff.	% Diff.	Current Law	Proposed	Diff.	% Diff.
2028	\$9.99	\$10.19	\$0.20	2%	\$19.10	\$19.50	\$0.40	2%
2029	9.99	10.40	0.41	4%	19.10	19.92	0.82	4%
2030	9.99	10.60	0.61	6%	19.10	20.32	1.22	6%
2031	9.99	10.81	0.82	8%	19.10	20.74	1.64	9%
2032	9.99	11.02	1.03	10%	19.10	21.15	2.05	11%

Source: Maryland State Library Agency; Department of Legislative Services

Required Services

The bill alters current statutory provisions that require libraries to offer certain services. Specifically, each public library must offer at least one of the following services (alone or in partnership with units of government or nonprofit organizations):

- a program designed to increase early childhood literacy and learning, school readiness, literacy proficiency, and student success;
- an educational program that advances information literacy, technology instruction and skills, and economic, career, and workforce development;
- an initiative that increases digital equity and access to the Internet;
- serving as a community resource and distribution site during public emergencies (required under current law); and
- support for mental health and *personal well-being*.

Current Law:

State Library Network

The State provides funds to libraries designated as resource centers, including the State Library Resource Center in Baltimore City and to regional resource centers, including the Eastern Resource Center in Salisbury, the Southern Resource Center in Charlotte Hall, and the Western Resource Center in Hagerstown.

Minimum Per capita Library Program (Library Aid Formula)

The State provides assistance to public libraries through a formula that determines the State and local shares of a minimum *per capita* library program. Overall, the State provides 40% of the minimum program and the counties provide 60%. The State/local share of the minimum program varies by county depending on local wealth. However, no library board may receive less than 20% of the *per capita* minimum program from the State.

The local share of each library board's minimum *per capita* program equals the local contribution rate multiplied by local wealth. The local contribution rate is a statewide rate representing the counties' aggregate share of the minimum library program divided by total local wealth. Specifically, the local contribution rate equals the overall local share (60%) multiplied by the *per capita* program level multiplied by total State population and divided by total State wealth. The State's share of each library board's minimum *per capita* program equals the local share subtracted from the product of the *per capita* program and county population.

Required Services

Beginning January 1, 2024, each public library must offer at least one of the following services alone or in partnership with units of government or nonprofit organizations:

- a program to increase scores on the State kindergarten assessment;
- a program designed to close learning gaps created by lack of access to education, including learning gaps that occurred during the COVID-19 pandemic;
- an initiative to expand digital equity and access to free computing and broadband Internet;
- an educational program providing technology instruction and skills, health literacy, instruction on operating a small business, and instruction on workforce development;
- serving as a community resource and distribution site during public emergencies;

- a program to reduce barriers to Science, Technology, Engineering, or Mathematics (known as “STEM”) education, including by providing activities, classes, programs, and events; and
- support for mental health and reducing social and physical isolation.

State Expenditures: Exhibit 1 shows the *per capita* aid increases under the bill.

The fiscal 2027 State budget includes \$52.0 million in general funds for public library aid and \$10.0 million for regional resource centers.

State formula aid to regional resource centers increases by \$201,889 in fiscal 2028 and, based upon current projections for population growth, by \$847,832 by fiscal 2031. State library program aid increases by \$1.0 million in fiscal 2028, and by \$4.3 million in fiscal 2031. Thus, total direct aid increases by \$1.2 million in fiscal 2028, and by \$5.1 million in fiscal 2031. Fiscal year 2032 is the final year of the statutory phase-in of the *per capita* aid increases under the bill; expenditures thereafter reflect the fully phased-in funding level, subject to population changes.

To the extent the additional funding is used to hire personnel and otherwise increase the statewide salary base for local library systems, State retirement expenditures may increase beginning in fiscal 2030. However, any such impact is not expected to be material.

Local Revenues: State formula aid to regional resource centers increases by \$201,889 in fiscal 2028, including an increase of \$73,505 for the Eastern Resource Center, \$77,763 for the Southern Resource Center, and \$50,621 for the Western Resource Center. State aid to regional resource centers increases by \$847,832 by fiscal 2031, including an increase of \$308,090 for the Eastern Resource Center, \$328,252 for the Southern Resource Center, and \$211,490 for the Western Resource Center.

Local government funding under the library aid formula increases by \$1.0 million in fiscal 2028 and by \$4.3 million in fiscal 2031 as shown in **Exhibit 2**. Under the bill, fiscal year 2032 is the final year of the statutory phase-in of the *per capita* aid increases.

The increase in the library program *per capita* amount also increases the required minimum local funding amount under the library program. However, under current law, local governments tend to fund their local libraries above the minimum required level.

Exhibit 2
Estimated Increase in State Aid Under the Library Aid Formula

County	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Allegany	\$0	\$19,243	\$39,601	\$58,412	\$78,813
Anne Arundel	-	73,859	155,631	221,277	304,752
Baltimore City	-	145,565	299,474	439,270	592,186
Baltimore	-	171,326	355,249	518,023	703,579
Calvert	-	14,457	30,244	43,594	59,604
Caroline	-	8,403	17,372	25,536	34,606
Carroll	-	29,058	60,120	86,123	116,655
Cecil	-	21,953	45,966	67,788	92,968
Charles	-	32,365	67,856	99,446	136,667
Dorchester	-	7,772	16,019	23,418	31,649
Frederick	-	46,055	96,647	139,492	191,878
Garrett	-	2,265	4,652	6,934	9,337
Harford	-	48,974	101,887	148,139	201,757
Howard	-	30,830	65,957	91,834	128,286
Kent	-	2,976	6,201	8,901	12,147
Montgomery	-	86,964	179,489	268,862	363,881
Prince George's	-	196,930	407,264	592,514	802,848
Queen Anne's	-	5,031	10,393	13,900	18,787
St. Mary's	-	21,585	45,384	66,742	91,877
Somerset	-	7,382	15,178	22,372	30,178
Talbot	-	3,071	6,309	9,409	12,677
Washington	-	35,389	73,569	108,235	147,652
Wicomico	-	28,145	58,610	87,123	118,964
Worcester	-	4,387	9,064	13,592	18,415
Total	\$0	\$1,043,985	\$2,168,136	\$3,160,936	\$4,300,163

Source: Department of Legislative Services

Local Expenditures: As noted above, the bill requires local libraries to offer certain services in lieu of those required under current law. However, the Maryland State Library Agency advises the types of services specified in the bill are already performed by local libraries throughout the State. The repeal of the existing service requirements is also not assumed to affect overall library expenditures. Therefore, this provision is not expected to have a material impact on local library expenditures.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1592 (Delegate Barnes) - Appropriations.

Information Source(s): Maryland Association of Counties; Comptroller's Office; Maryland State Library Agency; Department of Budget and Management; Department of Legislative Services

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