



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

April 21, 2021

The Honorable Bill Ferguson
President of the Senate
H-107 State House
100 State Circle
Annapolis, Maryland 21401-1991

The Honorable Adrienne A. Jones
Speaker of the House
H-101 State House
100 State Circle
Annapolis, Maryland 21401-1991

Dear President Ferguson and Speaker Jones:

Pursuant to Chapter 39 of the Acts of 2021 (The RELIEF Act of 2021), the Department of Budget and Management (DBM) is required to prepare a bi-weekly report on the 33 programs funded through the Recovery Now Fund. Appendix 1 provides a listing of all the programs and a summary of the activity that has been undertaken by the relevant agency in the last two weeks on each program.

The Department of Budget and Management would like to note that applications or grant agreements have been distributed for all but one program supported through the Recovery Now Fund. The one outstanding program is the Health Zones program administered by the Maryland Community Health Resources Commission. This is the one program in the RELIEF Act that has authority to spend money beyond the end of fiscal year 2021. Additionally, the creation of the new program is related to legislation passed by the General Assembly (HB 463 / SB 172 – Health Resource Communities) that is pending a decision by the Governor.

As noted previously, most agencies are in the process of distributing funds within the next couple of weeks or finalizing the review of applications. Agencies have seen a marked improvement in getting grant agreements back from recipients, particularly county governments. DBM would note that MDH is planning to issue a second solicitation for assistance to crisis service providers as only \$2.9 million out of a possible \$15 million was awarded through the first solicitation.

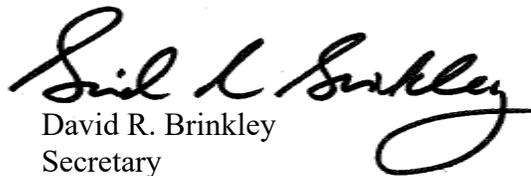
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The Department is currently in the process of preparing a budget amendment that would change the funding source for the Recovery Now Fund from the Rainy Day Fund to federal funds provided through the State Fiscal Relief Fund of the American Rescue Plan. The Rainy Day funding that would no longer be needed would revert to the General Fund consistent with the provisions of the RELIEF Act. This amendment will be processed after the United States Treasury Department releases guidance for spending from the State Fiscal Relief Fund.

DBM continues to work with the Department of Information Technology and other state agencies to add new material to the Recovery Now website (<http://dbm.maryland.gov/Pages/recoverynow.aspx>). Specifically, documents showing the distribution of funds amongst counties, zip codes, or other program recipients have been added to the site.

If you have any questions regarding this report, please contact my Deputy Secretary, Marc Nicole, at 410-260-7042.

Sincerely,



David R. Brinkley
Secretary

cc: Amelia Chassé Alcivar, Chief of Staff, Governor's Office
Keiffer Mitchell, Senior Counselor & Chief Legislative Office, Governor's Office
Alexandra M. Hughes, Chief of Staff, Maryland House of Delegates
Yaakov E. Weissmann, Chief of Staff, Maryland State Senate
Victoria L. Gruber, Executive Director, Department of Legislative Services
David Romans, Coordinator, Fiscal & Policy Analysis, Department of Legislative Services
Marc Nicole, Deputy Secretary, DBM

APPENDIX I

RECOVERY NOW APRIL 21, 2021 PROGRAM SUMMARIES

Commerce:

Arts Council Grants:

- The Maryland State Arts Council (MSAC) released an application for grant funding on March 5, 2021, with a deadline of April 1, 2021. It received 1,000 applications, with the 38 arts organizations not receiving prior MSAC funding requesting \$1.0 million, 792 independent artists requesting a total of \$2.4 million, and other arts organizations receiving prior MSAC funding requesting \$6.0 million. Application review and fund distribution is expected to be completed by early May.

Hotel, Motel, and Bed and Breakfast Grants:

- Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021, and by April 14, all 24 counties and Baltimore City have signed and returned them. Commerce is allowing up to 10 percent of new administrative expenses that are a direct result of the Recovery Now program. Recipient requirements of the program include reporting detailed information on grantees.

Local Commuter Bus Assistance Grants:

- Commerce sent grant agreements to the six eligible companies on March 22, 2021, and as of April 14, has received all six returned grant agreements, from Atlantic Coast Charters (\$718,400), Academy Express, LLC (\$1,940,000), Dillon's Bus Service (\$1,965,600), Eyre Bus Service (\$125,600), Keller Transportation (\$1,411,200), and Martz/Gold Line (\$1,839,200).

Maryland Small, Minority, and Women-Owned Business Account

- As of April 16, 2021, Commerce has received requests for funding for 14 small business loans from five fund managers, totaling \$1,507,375. Each of eight fund managers has been allocated \$1,250,000 to make loans. Commerce is presenting to the Board of Public Works on April 21, 2021, to seek formal approval for the fund manager Recovery Now fund allocations.

Non-Sales and Use Tax Grants:

- Commerce began accepting applications on March 30, 2021. As of April 6, the close of the application period, the department received 1,331 pre-qualified and submitted applications and 1,308 applications which were not qualified. 423 applications were pre-qualified, but not submitted. As of April 16, 2021, Commerce completed the review of 317 applications.

On-Line Sales Framework Grants:

- Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021. As of April 15, nineteen (totaling \$299,754) have signed and returned their agreements. Also, on April 1, Commerce alerted jurisdictions that they will allow up to 10 percent of grant funds for new administrative costs resulting from the program. In addition to the \$0.5 million Recovery Now funds, \$5.0 million in additional federal funds for this purpose was added in supplemental budget #5.

Restaurant Grants:

- Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021. As of April 15, twenty (totaling \$16,485,272) have signed and returned their agreements. Also, on April 1, Commerce alerted jurisdictions that they will allow up to 10 percent of grant funds for new administrative costs resulting from the program.

Small Business Marketing Grants:

- Commerce sent out grant agreements to the destination marketing organizations on March 22, 2021. As of April 16, sixteen (totaling \$464,397) have signed and returned their agreements. Funds will be distributed via the Maryland Tourism Development grant program already in place.

DBM:

Disparity Grants:

- DBM has worked with the Comptroller's Office to process the transfer of the \$5 million to Prince George's, Wicomico and Dorchester counties. On March 4, 2021, DBM initiated the transfer of funds and on March 9, 2021, direct vouchers were issued. An additional \$10.2 million in disparity grant funding (general funds) is being provided to six counties in supplemental budget #5.

DHCD:

Live Entertainment Venues Grants:

- DHCD opened applications from March 22, 2021, through April 2, for both for profit and non-profit live entertainment venues and promoters of live performances. The maximum allowable request is \$500,000. Seventy applications were submitted, within which \$22,643,269 was requested. Funding announcements are projected to be made by the end of May 2021 and awardees are projected to receive funds no later than June 30, 2021.

Main Street Program:

- All the State designated Main Street Maryland communities (33) and the Baltimore City designated Main Street neighborhoods (8) have been awarded and received funding to support local grants to businesses within their Main Street districts. Awards were based on applications submitted to DHCD's Maryland Strong Economic Recovery Initiative: Main Streets by the nonprofit organization or local government responsible for administering the local Main Street program.

Non-Profit Assistance Grants:

- Funds shall be distributed to the respective county economic development offices based on the population of the counties and Baltimore City. Each awardee shall utilize its own local grant program to distribute funds and shall prioritize non-profits not already receiving DHCD's Nonprofit Recovery Initiative funding. DHCD will distribute funds to local governments by April 30, as soon as distribution strategy documents are received, and the local governments are to award grants to nonprofits no later than September 30, 2021.

Rural Broadband:

- Three project funding awards have been made: Think Big Network (\$570,561) in Harford County, Bay Country Communications in Dorchester County (\$193,911), and Maryland Broadband Cooperative in Wicomico County (\$590,000). Projects were selected based on location and the ability to be completed by June 30, 2021. The remaining funds will be used to replace FY20 funding awarded to Maryland Broadband Cooperative (\$645,528). The FY20 funds will be used for future projects.

30-Day Emergency Housing:

- On March 29, 2021, Continuums of Care were notified of their allocations and received program design guidance and budget templates. Grant agreements are due back no later than May 3. Allocations will be funded once agreements are fully executed, and budgets are approved.

DHS:

Food Bank Grants:

- DHS received approval on March 4, 2021 to release the RELIEF Act allocations to the Capital Area Food Bank (CAFB, \$3,237,776) and the Maryland Food Bank (MFB, \$6,762,224). DHS received contracting packages, including the scope of service, from both food banks on March 24, 2021. Those contracts were executed, and funds were disbursed on March 25, 2021. CAFB has allocated 1.3 percent and MFB has allocated 19.4 percent (primarily warehouse costs) for administrative costs.

Temporary Disability Assistance Program:

- As of April 14, 2021, 11,549 recipients received a monthly benefit increase of \$100 (\$3.3 million in total) and 3,801 of all eligible cases have been reopened. Those cases were recipients who were denied payments on or after July 1, 2020, for reasons other than a determination of a Supplemental Security Income claim. The expenditure for the reopened cases (regular payments), as of April 14, 2021, is \$2.7 million.

Judiciary:

Maryland Legal Services Corporation Grant:

- Maryland Legal Services Corporation (MLSC) received \$3 million in funding on March 18, 2021. Pursuant to guidance received from the Department of Legislative Services through the Administrative Office of the Courts, MLSC reports that they will hold the funds for deployment beginning July 1, 2021, which will allow consideration of ongoing eviction moratoria and pending legislation. Prior to deployment, MLSC will convene stakeholders to plan for the most efficient and effective use of funds.

Labor:

Augment Staffing:

- Labor is currently assessing its staffing needs while also evaluating whether existing contracts can be expanded using these funds.

Local Workforce Development Boards:

- On March 1, 2021, local workforce development areas were notified of the amount of the funding they would receive under the RELIEF Act, per the 2021 Federal Workforce Innovation and Opportunity Act formula and were sent application templates accordingly. These applications, which include detailed plans on how allocated funds would be spent, were due back to Labor by April 1, 2021. All thirteen workforce boards have submitted proposals and 10 have been approved and funds obligated (\$5,541,900 of \$7 million). Of the remaining three, one is awaiting signature and two are under review.

Marketing Work-Sharing Programs:

- Labor has communicated that because of having been awarded federal funding for this purpose prior to this allocation, there is no intent or need to utilize the \$1.0 million for its stated purpose.

Pending UI Claim Payments:

- As of April 5, 2021, Labor sent a list to the Comptroller's Office, which included the names of 30,532 claimants, a 12.3 percent increase over March's total of 27,181 claimants. The department has also posted a message to its website explaining the grant to the public, along with an accompanying link for more information about the RELIEF Act.

MARBIDCO:

Rural and Agricultural Business Grants:

- MARBIDCO established six grant programs, and had conducted extensive outreach, to provide immediate pandemic adjustments and economic development assistance. Those programs are:
 - Maryland Shellfish Aquaculture Relief Grants (92 applications received, qualifying for \$134,500);
 - Maryland Urban Farmer Relief Grants (18 applications received, requesting \$9,000);
 - Local Food Cold Storage Relief Grant Program (100 applications received, requesting \$954,053);
 - Maryland Livestock Processing Relief Grant Program (24 applications approved, receiving a total of \$615,956);
 - Maryland Wood Products Industry Equity Incentive Relief Fund (21 applications approved, receiving a total of \$744,237); and
 - the Maryland Market Money Program, for which \$83,500 has been disbursed.

Disbursements have also been made to the Maryland Shellfish Aquaculture Relief (82 applicants, \$121,500 total disbursed) and the Maryland Urban Farmer Relief Grant (6 applicants, \$3,000 total disbursed) programs.

MCHRC:

DDA Provider Grants:

- MCHRC issued a non-competitive RFP on Thursday, April 15, 2021. A public call with potential applicants will be held on Wednesday, April 21, 2021 at 10:00 a.m. Applications will be streamlined and are due to MCHRC by 12:00 noon, Monday, May 10, 2021. Grant awards will be made in early June 2021. MCHRC will encumber funds by mid-June 2021 and process fund distributions in accordance with the timeline discussed with DBM leadership.

Health Zones:

- Stand-alone legislation in the General Assembly this year, SB 172/HB 463, is currently enrolled and is awaiting the Governor's approval. The legislation establishes "Health Equity Resource Communities" and CHRC staff is preparing to implement the provisions of the bill and the RELIEF Act. Immediate activities include: 1) working with MDH, the Governor's Office, and Presiding Officers to fill the appointments on the newly established HERC Advisory Committee by July 1, 2021; 2) recruiting immediately for the HERC Project Director; and 3) developing the competitive Pathways RFP for release during Summer 2021 for the initial funding (approximately \$13 million) in accordance with the language of the RELIEF Act.

MDH:

Assistance 8-507 Providers:

- An allocation of awards to seven different providers, ranging from \$88,200 to \$3.6 million, has been proposed:
 - Gaudenzia (\$3,608,399)
 - Grace (\$250,000)
 - Jude House (\$616,279)
 - University Psychological Center (\$88,200)
 - The Seven Times Seven Wellness Center (\$184,383)
 - Potomac Healthcare (\$100,000)
 - Valley Bridge House (\$152,739)

Distribution of awards is projected for release the week of April 19, 2021.

Mobile Crisis and Stand-Alone Crisis Services:

- Six applications were received by the close of the application period, totaling \$2.9 million (\$15 million available). Distribution of funds is scheduled for April 30, 2021. MDH plans on issuing another solicitation to ensure that all funds are distributed.

MDOT:

- MDOT has received two general fund transfers of \$10 million each to provide operating budget relief for bus operations and state systems maintenance.

MEMA:

Volunteer Fire Department and Rescue Squad Grants:

- To date, eight (8) work group meetings have been held regarding the application process and related matters. Applications were disseminated to each county fire/rescue association on Wednesday, March 10, 2021. To date 90 companies have applied. Deadline to apply is April 23, 2021. Applications will be reviewed commencing March 28, 2021, and funding distribution will be made on or about the first week of May 2021.

MHEC:

Baltimore City Community College:

- Of the \$10 million available for community colleges through Recovery Now, \$1,217,785 is going directly to Baltimore City Community College (BCCC). BCCC intends to use the funds to provide access to workforce training programs for up to 480 students in need of specific skills training and job placement support due to the pandemic. Sets of training programs in health-related, information technology/cybersecurity, and transportation professions will begin in April, May, and June 2021. All targeted programs will be completed in 12 to 16 weeks. Approximately \$18,000 will be used for screening (480 students), \$600,000 for healthcare training (240 students), \$240,000 for IT/cybersecurity training (120 students), and \$360,000 for transportation-related training (120 students).

Local Community Colleges:

- MHEC is administering \$8,782,215 to the locally governed community colleges. Applications for the funds were disseminated to the colleges on March 5, 2021, and were received back March 12, 2021. MHEC processed and disbursed the funds on March 26, 2021. Each college that receives funding will be responsible for expending the funds by June 30, 2021.

MSDE:

Juvenile Services Education:

- MSDE is purchasing updated technology for students and teachers to complement the existing classroom technology and facilitate more personalized learning. The Juvenile Services Education program is also building a new statewide virtual library to encourage reading for students and purchasing e-books for electronic readers that span the interests and needs of our student population.

PSC:

Utility Assistance:

- The Commission issued an order requesting information from utilities that was due back by April 9, 2021. On April 15, 2021, the Commission issued a notice directing any parties interested in providing recommendations or comments on the allocation and dispersal of the RELIEF Act funds to file comments by May 3, 2021. Furthermore, the Commission provided notice that it will conduct a legislative-style hearing on May 12, 2021.

TEDCO:

Rural and Agricultural Business Grants:

- TEDCO has opened the Agriculture and Rural Rebuild Challenge grant request application process; the deadline is April 30. It provides up to \$200,000 each to fund technology-based projects that help rural and agricultural businesses recover, rebuild, and pivot from the COVID crisis. The Challenge specifically encourages increased collaboration between rural businesses, research institutions, and industry partners to help agricultural technology and other rural industry sectors better weather future economic crises. Based on recent interest in the program, TEDCO has agreed to extend the deadline for proposals until May 14, 2021.