



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

May 5, 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 report that agencies have begun the distribution of funds to recipients for about two-thirds of the programs supported by the Recovery Now Fund. We are hoping to provide a summary of the funding distribution with the next report. Most of the remaining programs are generally in the process of finalizing grants agreements and / or reviewing applications.

The Department is happy to announce that the Comptroller's Office will shortly be processing an additional 3,316 payments of \$1,000 to individuals identified by the Department of Labor whose claim for unemployment benefits is pending a determination of eligibility and has been in adjudication for at least 30 days. Cumulative spending on this program now totals more than \$33.8 million.

As previously noted in our last report, 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. DBM expects federal guidance from the United States Treasury Department to be released within the next few days.

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The Honorable Adrienne A. Jones
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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 MAY 5, 2021 PROGRAM SUMMARIES

Commerce:

Arts Council Grants:

- The Maryland State Arts Council (MSAC) approved \$5 million in grants to 839 out of a total of 986 applicants:
 - \$535,813 awarded to arts organizations who have not received previous MSAC funding, in alignment with the legislation for this funding, across 34 grants in 10 counties;
 - \$1,977,000 awarded to independent artists across 659 grants in 23 counties; and
 - \$2,487,187 awarded to arts organizations, county arts agencies, and arts & entertainment districts across 146 grants in 20 counties.

Staff sent award notifications April 26-30, 2021 with instructions to sign and return grant agreement forms. MSAC staff will countersign grant agreements and process payments beginning May 3, 2021 and continue to process payments as grantees return grant agreement forms.

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 had signed and returned them. By April 29, 2021, funding had been distributed to 19 jurisdictions, for a total distribution of \$7,680,513.

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). As of April 26, 2021, Commerce distributed \$6,588,800 to five companies.

Maryland Small, Minority, and Women-Owned Business Account

- On April 21, 2021, Commerce received formal approval from the Board of Public Works for the fund manager Recovery Now fund allocations. Each of eight fund managers has been allocated \$1,250,000 to make loans and, as of April 29, 2021, \$1,622,375 has been requested and approved for 16 individual small business loans.

Non-Sales and Use Tax Grants:

- Commerce began accepting applications on March 30, 2021. As of April 28, 2021, the close of the application period, 3,065 applications were started or submitted. Of those, 1,375 were submitted and 845 were approved, for a funding total of \$7,467,740. From April 30, 2021 through May 15, 2021, Commerce will be contacting undersubscribed counties and constituents to attempt to fully encumber the funds in undersubscribed counties.

On-Line Sales Framework Grants:

- Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021. As of April 29, 2021, twenty-two (totaling \$424,174) have signed and returned their agreements and eighteen have received their funding (totaling \$310,049).

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 28, 2021, twenty-three (totaling \$21,661,065) have signed and returned their agreements and twenty-one have received funding (totaling \$20,353,115).

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 28, 2021, twenty-two have signed and returned their agreements and seven have received their funding (totaling \$211,984) 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 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 early May 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, sixteen Continuums of Care were notified of their allocations and received program design guidance and budget templates. Grant agreements were 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. MFB has allocated 1.3 percent and CAFB has allocated 19.4 percent (primarily warehouse costs) for administrative costs. As of April 27, 2021, \$2,206,240 in CAFB food allocation funding remains. MFB's Recovery Now distribution efforts are not expected to roll out until May 2021 and, as of April 27, 2021, food allocation funding remains at \$6,675,000.

Temporary Disability Assistance Program:

- As of April 27, 2021, 12,217 recipients received a monthly benefit increase of \$100 (\$3.4 million in total) and 3,803 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 27, 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 11 have been approved and funds obligated (\$5,878,013 of \$7 million). The remaining two are awaiting signature.

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, Labor sent lists to the Comptroller's office with 30,532 total claimants, for a distribution of \$30,532,000. On May 5, 2021, Labor is providing the Comptroller's office with a list of 3,316 additional claimants, for a distribution of \$3,316,000, an increase of 10.9 percent over the April cumulative distribution. 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. Supplemental Budget #5 included an additional \$8 million in federal funding to support this program, above the original Relief Now allocation of \$32 million.

MARBIDCO:

Rural and Agricultural Business Grants:

- MARBIDCO established six grant programs, and has conducted extensive outreach, to provide immediate pandemic adjustments and economic development assistance. Those programs are:
 - Maryland Shellfish Aquaculture Relief Grants (94 applications received, qualifying for \$138,500);
 - Maryland Urban Farmer Relief Grants (11 of 18 applications approved, totaling \$5,500);
 - Local Food Cold Storage Relief Grant Program (78 of 100 applications approved, totaling \$372,321);
 - Maryland Livestock Processing Relief Grant Program (24 of 24 applications approved, receiving a total of \$615,956, out of \$1,255,554 requested). Applicants have been notified and grant agreements are being prepared;
 - Maryland Wood Products Industry Equity Incentive Relief Fund (21 of 21 applications approved, receiving a total of \$749,951, out of \$1,894,594 requested). Applicants have been notified and grant agreements are being prepared; and
 - the Maryland Market Money Program, for which \$83,500 has been disbursed.

Disbursements have also been made to the Maryland Shellfish Aquaculture Relief (91 applicants, \$136,500 total disbursed) and Maryland Urban Farmer Relief Grant (11 applicants, \$5,500 total disbursed) programs.

MCHRC:

DDA Provider Grants:

- The MCHRC issued a non-competitive RFP on Thursday, April 15, 2021 in accordance with timelines provided by DBM guidance and feedback. A public call with potential applicants was held on Wednesday, April 21, 2021. Applications are 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 MCHRC 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)

As of May 3, 2021, two awards have been made and processed by MDH’s Division of General Accounting and another two awards are in process. The rest of the awards are imminent.

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). Review and clarification of application materials is being sought now. 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, nine (9) 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, 175 departments have applied for consideration of funding. Deadline to apply was April 23, 2021. The application review process commenced March 28, 2021. Payments to departments coordinated by the Maryland Military Department Finance Office will begin in 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 240 students in need of specific skills training and job placement support due to the pandemic. Training programs in health-related, information technology/cybersecurity, and transportation professions were set to begin in April 2021. However, BCCC was able to begin in March, serving 67 students, for a total outlay of \$235,483:
 - 32 students enrolled in the Certified Nursing Assistant Program (3 new classes);
 - 9 students enrolled in the Multi-Skilled Medical Technician Program;
 - 15 students enrolled in the Pharmacy Technician Program; and
 - 11 students enrolled in Patient Care Technician Program.

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. As of April 30, 2021, the colleges have awarded 1,152 scholarships.

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.