



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

June 2, 2021

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

The Honorable Adrienne A. Jones
Speaker of the House
H-101 State House
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.

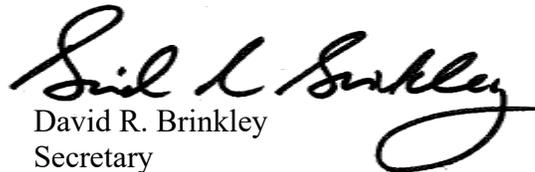
The Department of Budget and Management has updated the spending summary of all 33 programs in Appendix II for your review. It shows that a little over 70% of the funding has been awarded with most of that funding having been disbursed to the grantee. Our analysis shows that almost 35% of the money allocated through the Recovery Now Fund has been spent. DBM expects that June payments for Temporary Disability Assistance Payments and pending unemployment insurance claim payments will be made later this week. We anticipate that most of the \$306 million in funding allocated will be disbursed and spent prior to the end of the fiscal year. DBM will keep monitoring and reporting on agency spending every two weeks.

The Department expects to process a budget amendment next week changing the fund source for the Recovery Now Fund to federal funds provided through the State Fiscal Relief Fund of the American Rescue Plan. We will work with the agencies and the Comptroller's Office to adjust spending that has already occurred. Consistent with the RELIEF Act, the Rainy Day Funds that will no longer be needed to support the Recovery Now Fund will revert to the General Fund.

The Honorable Bill Ferguson
The Honorable Adrienne A. Jones
June 2, 2021
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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 JUNE 2, 2021 PROGRAM SUMMARIES

Commerce:

Arts Council Grants:

- The Maryland State Arts Council (MSAC) approved \$5 million in grants to 838 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;
 - \$1,974,000 awarded to independent artists across 658 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.

MSAC staff has countersigned grant agreements and begun processing payments.

Hotel, Motel, and Bed and Breakfast Grants:

- Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021, and by May 28, all counties and Baltimore City had signed and returned them, and funding totaling \$9,969,589 had been distributed to those jurisdictions. The total is slightly lower than the \$10 million allocated to this grant program because Caroline County did not accept all their allocated funds.
- 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. As of May 25, 2021, \$4,532,969 has been spent.

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 May 12, 2021, Commerce distributed \$8,000,000 to six 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 May 25, 2021, \$4,792,699 has been requested and approved for 92 individual small business loans.

Non-Sales and Use Tax Grants:

- Commerce began accepting applications on March 30, 2021. As of May 28, 2021, 4,140 applications were started. Of those, 1,800 were submitted and 1,131 were approved, for a funding total of \$10,007,202. As of May 26, grants to 866 entities have been processed, for a total of \$7,576,670.

On-Line Sales Framework Grants:

- Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021. As of May 28, 2021, all have signed and returned their agreements and have received their funding (totaling \$500,000).

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 May 28, 2021, all counties have signed and returned their agreements, and all have received their funding (totaling \$22,000,000).

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. Commerce administrative costs paid from the grants must be itemized in the final report submitted to Commerce describing their use.

Small Business Marketing Grants:

- Commerce sent out grant agreements to the destination marketing organizations on March 22, 2021. As of May 14, 2021, all have signed and returned their agreements and Commerce has distributed all funds.

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. Award recommendations were approved on May 10 and DHCD will begin to send grant agreements to awardees this week. Awardees will 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 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. All 41 of the Main Street awardees have received their award payments and have begun to distribute those funds to their businesses.

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. As of May 18, 23 of the 24 local jurisdictions have received a grant agreement for their signature. Howard County is determining which agency will receive the funds and we anticipate sending them their agreement by June 4. As of May 28, 12 signed agreements have been returned and sent to DHCD legal for final review and approval for the Department to sign and execute. Once grant agreements are executed by the Department, we will process payments to the local governments. All \$20,000,000 awarded to the local governments will be made by June 30 and the local governments will award grants to their nonprofits no later than September 1.

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. As of May 28, 2021, all but Baltimore City and Frederick County's agreements have been returned by the grantees and are currently being processed.

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 approximately 1.3 percent and CAFB has allocated 19.4 percent (primarily warehouse costs) for administrative costs.

As of May 26, 2021, \$2,038,720 out of \$2,610,560 in CAFB food allocation funding remains (\$571,840 expended). Administrative spending to date is \$93,288.

MFB's first Recovery Now distribution report covering the period of May 1, 2021, to May 14, 2021, has been received. MFB food allocation funding remaining is \$6,352,727, out of \$6,675,000 (\$322,273 expended).

Temporary Disability Assistance Program:

- As of May 11, 2021, 12,702 recipients received a monthly benefit increase of \$100 (\$4.5 million in total) and 3,808 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 May 25, 2021, is \$3.6 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. MLSC has notified grantees of funding availability and is currently accepting proposals.

Labor:

Augment Staffing:

- Labor continues to assess 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. As of May 12, 2021, all thirteen workforce boards have submitted proposals, and all have been approved and funds obligated (\$7 million).

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:

- On May 5, 2021, Labor provided the Comptroller's office with a list of 3,316 claimants, for a distribution of \$3,316,000, an increase of 10.9 percent over the April cumulative distribution. In total, distributions total \$33,848,000, for 33,848 total 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. Supplemental Budget #5 included an additional \$8 million in federal funding to support this program, above the original Recovery Now allocation of \$32 million. An additional payment distribution will be made by the end of the current week.

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, 92 applicants qualified for \$138,500);
 - Maryland Urban Farmer Relief Grants (11 of 19 applications approved, disbursed funds totaling \$5,500 out of \$9,500 requested);
 - Local Food Cold Storage Relief Grant Program (78 of 100 applications approved, totaling \$372,321 out of \$955,853 requested, all of which have received grant agreements);
 - Maryland Livestock Processing Relief Grant Program (24 of 24 applications approved and grant agreements sent; applicants are receiving a total of \$615,956, out of \$1,255,554 requested);
 - Maryland Wood Products Industry Equity Incentive Relief Fund (21 of 21 applications approved and grant agreements sent; applicants are receiving a total of \$749,951, out of \$1,894,594 requested); and
 - the Maryland Market Money (MMM) Program, for which \$149,000 has been encumbered or disbursed.

The total of all MARBIDCO Relief Grant Program funds encumbered or distributed to date is: \$835,065 (of which \$286,614 has been disbursed and \$548,451 is encumbered).

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 were streamlined and were due to MCHRC by 12:00 noon, Monday, May 10, 2021. The MCHRC received 116 applications requesting a total of \$3.4 million. The MCHRC is contemplating ways to reach out to eligible applicants who did not apply by the May 10 deadline. Grant awards will be made at the Commission's meeting on June 4, 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 Resources Communities" and CHRC staff continues preparations to implement the provisions of the bill and the Relief Act. In process activities include: 1) working with MDH, the Governor's Office and the 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 \$13M) in accordance with the language of the Relief Act. The Governor's Office and the Speaker of the House have made appointments to the HERC Advisory Committee, and it is anticipated that the Senate President will make appointments soon.

MDH:

Assistance 8-507 Providers:

- An allocation of awards to seven different providers, ranging from \$88,200 to \$3.6 million, has been made:
 - 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 28, all awards have been fully processed.

Mobile Crisis and Stand-Alone Crisis Services:

- Six applications were received by the close of the application period, totaling \$3.9 million (\$15 million available). After review, the agency determined that some requested are ineligible for the program and \$3.1 million will be awarded. The letters for those awards have been released. A revised application that expands the list of providers eligible for this grant funding is being finalized and will be released this week to spend down the remaining balance of \$11.9 million.

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. As of April 28, 2021, 176 fire and emergency medical services applications have been received. Payments to departments coordinated by the Maryland Military Department Finance Office will begin in early June 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. Through May, it has served 180 students, for a total outlay of \$554,395.

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 May 28, 2021, the colleges have awarded 1,422 scholarships.

MSDE:

Juvenile Services Education:

- MSDE advises that all funding will be obligated by the end of the fiscal year. Plans are to purchase MacBooks, Nooks, and Overdrive software through sole-source procurements. In addition, solicitations for laptops, teacher headphone gear, and Erate have all been advertised.

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 conducted a legislative-style hearing on May 12, 2021.

Based on testimony provided at the hearing, the Commission directed the Maryland utilities to provide updated arrearage information by May 24, 2021. Commission staff were also directed to compile all updated category data by May 27, 2021, for the utilities to confirm its accuracy. The Commission will issue an order authorizing disbursement of funds no later than June 30, 2021.

TEDCO:

Rural and Agricultural Business Grants:

- TEDCO opened the Agriculture and Rural Rebuild Challenge grant request application process, with an April 30 deadline. 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 the level of interest in the program, TEDCO extended the deadline for proposals until May 14, 2021, and received 31 applications. The technologies represented in the applications include agtech, robotics optics, and cleantech. TEDCO reports that it will “...begin the due diligence review to confirm eligibility, followed by a more in-depth review of each application.”

APPENDIX II- Recovery Now Fund Spending Summary
As of June 2

| <u>Agency</u> | <u>Program Name</u> | <u>Amount Allocated</u> | <u>Amount Awarded</u> | <u>Amount Disbursed</u> | <u>Amount Spent</u> |
|---------------|---|-------------------------|-----------------------|-------------------------|---------------------|
| Commerce | Arts Council grants | 5.0 | 5,000,000 | 216,000 | 216,000 |
| Commerce | Hotel grants | 10.0 | 10,000,000 | 9,969,589.0 | 4,532,969 |
| Commerce | Local Bus Assistance | 8.0 | 8,000,000 | 8,000,000 | 8,000,000 |
| Commerce | Small, Minority, Women-owned businesses | 10.0 | 10,000,000 | 4,792,699 | 3,936,200 |
| Commerce | Non-sales tax business grants | 10.0 | 9,241,293 | 7,576,670 | 7,576,670 |
| Commerce | On-line sales framework | 0.5 | 500,000 | 500,000 | 0 |
| Commerce | Restaurant grants | 22.0 | 22,000,000 | 22,000,000 | 338,935 |
| Commerce | Small Business marketing | 1.0 | 1,000,000 | 1,000,000 | 1,000,000 |
| DBM | Disparity Grant | 5.0 | 5,000,000 | 5,000,000 | 5,000,000 |
| DHCD | Entertainment Venues | 10.0 | 0 | 0 | 0 |
| DHCD | Main Street program | 2.0 | 2,000,000 | 2,000,000 | 0 |
| DHCD | Non-Profit Assistance Grants | 20.0 | 20,000,000 | 0 | 0 |
| DHCD | Rural Broadband | 2.0 | 2,000,000 | 0 | 0 |
| DHCD | 30-day emergency housing grants | 15.0 | 15,000,000 | 0 | 0 |

**APPENDIX II- Recovery Now Fund Spending Summary
As of June 2**

| <u>Agency</u> | <u>Program Name</u> | <u>Amount Allocated</u> | <u>Amount Awarded</u> | <u>Amount Disbursed</u> | <u>Amount Spent</u> |
|---------------|---|-------------------------|-----------------------|-------------------------|---------------------|
| DHS | Foodbank Grants | 10.0 | 10,000,000 | 10,000,000 | 987,401 |
| DHS | Temporary Disability Assistance Payments | 22.0 | 8,102,889 | 8,102,889 | 8,102,889 |
| Judiciary | Maryland Legal Services Corporation grant | 3.0 | 3,000,000 | 0 | 0 |
| Labor | Augment staffing | 3.0 | 0 | 0 | 0 |
| Labor | Local Workforce Development Boards | 7.0 | 7,000,000 | 7,000,000 | 18,134 |
| Labor | Market work-sharing programs | 1.0 | 0 | 0 | 0 |
| Compt./Labor | Pending UI claim payments | 32.0 | 33,848,000 | 33,848,000 | 33,848,000 |
| MARBIDCO | Rural & Agricultural business grants | 2.0 | 2,000,000 | 835,065 | 835,065 |
| MCHRC | DDA Provider Grants | 5.0 | 3,403,457 | 0 | 0 |
| MCHRC | Health Zones | 14.0 | 0 | 0 | 0 |
| MDH | Assistance 8-507 Providers | 5.0 | 5,000,000 | 5,000,000 | 5,000,000 |
| MDH | Mobile crisis and stand-alone crisis services | 15.0 | 3,105,531 | 3,105,531 | 3,105,531 |
| MDOT | Transit | 10.0 | 10,000,000 | 10,000,000 | 10,000,000 |
| MDOT | Highways | 10.0 | 10,000,000 | 10,000,000 | 10,000,000 |

**APPENDIX II- Recovery Now Fund Spending Summary
As of June 2**

| <u>Agency</u> | <u>Program Name</u> | <u>Amount Allocated</u> | <u>Amount Awarded</u> | <u>Amount Disbursed</u> | <u>Amount Spent</u> |
|---------------|--|-------------------------|-----------------------|-------------------------|---------------------|
| MEMA | Volunteer Fire Dept. & Rescue Squad Grants | 4.0 | 0 | 0 | 0 |
| MHEC | Community Colleges | 8.8 | 8,782,215 | 8,782,215 | 3,018,098 |
| BCCC | BCCC | 1.2 | 1,217,785 | 554,395 | 554,395 |
| MSDE | Juvenile Services Education program | 1.0 | 0 | 0 | 0 |
| PSC | Utility Assistance | 30.0 | 0 | 0 | 0 |
| TEDCO | Rural & Agricultural business grants | 1.5 | 0 | 0 | 0 |
| TOTAL | | 306.0 | 215,201,170 | 158,283,053 | 106,070,287 |