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Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

June 16, 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. State agencies continue to make progress awarding, disbursing, and spending Recovery Now funds. One major highlight in the last two-week period is the announcement of \$10 million of awards for Live Entertainment Venue grants. This funding will be disbursed prior to the end of the month. DBM also expects a significant amount of funding to be awarded and / or disbursed within the next two-week period including:

- Utility Assistance grants - \$30 million,
- Non-Profit Assistance grants - \$20 million,
- 30-day Emergency Housing grants - \$15 million, and
- Volunteer Fire Department & Emergency Rescue Squad grants - \$4 million.

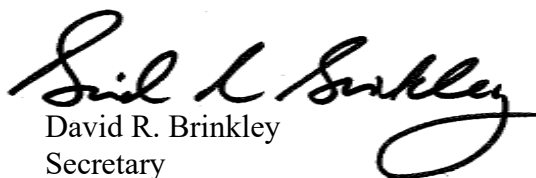
The Department does expect that a few programs will not spend the entire amount of funding allocated to them because of programmatic limitations (Temporary Disability Assistance Payments and Pending UI Claim payments) or because alternative fund sources are available to support the program (Augmented Staffing and Work-Sharing). DBM will provide additional details on this with our next report.

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Finally, budget amendment 063-21 was processed earlier this week to change the fund source for the Recovery Now Fund to federal funds provided through the State Fiscal Relief Fund of the American Rescue Plan. DBM has scheduled a call with the affected 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.

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 16, 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. All invoices are expected to be paid this week.

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 June 9, 2021, \$4,702,076 has been reported spent. Commerce has reached out to jurisdictions to stress the importance of updating the agency's online portal.

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 other transactions.
- As of June 11, 2021, Commerce has received requests and has approved funding for 120 small businesses totaling \$6,729,699, broken down as follows: 68 loans totaling \$4,812,200; 21 grants, totaling \$667,500; and 31 converted loans to grants totaling \$1,250,000.

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 June 11, grants to 1,118 entities have been processed, for a total of \$9,894,602.

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.
- As of June 9, 2021, counties have reported distributing grants to 20 recipients totaling \$23,775. Commerce has reached out to jurisdictions to stress the importance of updating the agency's online portal.

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.
- As of June 9, 2021, counties have reported distributing grants to 184 recipients totaling \$1,112,916. Commerce has reached out to jurisdictions to stress the importance of updating the agency's online portal.

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 began to send grant agreements to awardees two weeks ago. 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 June 11, 12 agreements have been executed and 12 have been sent to DHCD legal for final review and approval for the Department to sign and execute. For those agreements that have been executed, DHCD has begun to process award payments to those local governments. We anticipate having the remaining agreements executed by June 18. All payments 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. To date, invoices totaling \$552,282 have been submitted and paid.

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. All agreements have been returned by awardees. Nine have been fully executed and the remaining seven are in review with the Office of the Attorney General. As agreements are fully executed, funding will be disbursed. All internal divisions are ready to ensure disbursements occurs by June 30, 2021.

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 June 8, 2021, \$1,974,880 out of \$2,610,560 in CAFB food allocation funding remains (\$635,680 expended). Administrative spending to date is \$93,471.

MFB's first Recovery Now distribution report covering the period of May 1, 2021, to May 28, 2021, has been received. MFB food allocation funding remaining is \$5,954,300, out of \$6,675,000 (\$720,700 expended). Administrative spending has not yet been applied.

Temporary Disability Assistance Program:

- As of June 8, 2021, 13,016 recipients received a monthly benefit increase of \$100 (\$5.7 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 June 1, 2021, is \$4.4 million, for a total expenditure to date of \$10.1 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 twelve grantees of preliminary eviction prevention grant awards, totaling \$2.2 million. Those awards will be disbursed on or around July 15, 2021. MLSC also notes that it will review remaining areas of need to plan for disbursement of the remaining funds.

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. As of May 12, 2021, all thirteen workforce boards have submitted proposals, and all have been approved and funds obligated (\$7 million). Highlights include:
 - Engaging a career coach, job developer, and industry navigators in Anne Arundel;
 - Providing transitional jobs in Baltimore City to residents affected by the pandemic;
 - Procuring two mobile career centers in Baltimore County;
 - Providing technology support through the library and supporting youth apprenticeship programs in Frederick County;
 - Hiring Fort Meade apprenticeship staff in Howard County;
 - Ordering the Southern Maryland Mobile Career Center and developing marketing materials;
 - Susquehanna will be providing individual services based on need by using funds to engage, upskill, and connect residents;
 - The Upper Shore is funding summer youth (16+ years old) and provide other training services; and
 - Western Maryland is using funds for its Summer Youth Program, beginning June 21, 2021.

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 June 4, 2021, Labor provided the Comptroller's office with a list of 3,316 claimants (through May 28, 2021), 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. June's payment will be reported at the beginning of July.

MARBIDCO:

Rural and Agricultural Business Grants:

- MARBIDCO established six grant programs and 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. After approval, three applicants withdrew their applications because they were approved for a lower grant amount than expected. Currently, MARBIDCO has 75 approved cold storage grantees for grants totaling \$356,587);
 - Maryland Livestock Processing Relief Grant Program (24 of 24 applications approved and grant agreements sent; applicants are receiving a total of \$615,958, 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 \$1,360,239 (of which \$433,177 has been disbursed and \$927,062 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 Monday, May 10, 2021. The MCHRC received 117 applications requesting a total of \$3,307,647, which were approved at the Commission's June 4 meeting. MCHRC staff is executing grant agreements with these grantees and will process invoices for payment once the grant agreements are executed).
- The MCHRC has extended the deadline to Tuesday, June 15 for eligible DDA providers who did not apply by the original May 10 deadline. MCHRC staff are reaching out to eligible DDA providers to promote and encourage eligible providers to submit applications and offer technical assistance.

Health Zones:

- Stand-alone legislation in the General Assembly this year, SB 172/HB 463, has now become law. The legislation establishes “Health Equity Resources Communities” (HERC) and MCHRC 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 \$13 million) in accordance with the language of the RELIEF Act. The Governor’s Office, the Senate President, and the Speaker of the House have made appointments to the HERC Advisory Committee.

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. To spend down the remaining balance of \$11.9 million, a second round of applications for crisis providers has been distributed; applications are due June 24, 2021.

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 late 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 mid-June, it has served 208 students, for a total outlay of \$811,032.

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 June 4, 2021, the colleges have awarded 1,504 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 agritech, biotech, engineering, food and beverage, and healthcare. As of June 14, TEDCO reports that awards are imminent.

APPENDIX II- Recovery Now Fund Spending Summary
As of June 16

| Agency | Program Name | Amount Allocated | Amount Awarded | Amount Disbursed | Amount Spent |
|---------------|---|-------------------------|-----------------------|-------------------------|---------------------|
| Commerce | Arts Council grants | 5.0 | 5,000,000 | 1,881,658 | 1,881,658 |
| Commerce | Hotel grants | 10.0 | 10,000,000 | 9,969,589 | 4,702,076 |
| 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 | 6,729,699 | 4,977,700 |
| Commerce | Non-sales tax business grants | 10.0 | 9,894,602 | 9,894,602 | 9,894,602 |
| Commerce | On-line sales framework | 0.5 | 500,000 | 500,000 | 23,775 |
| Commerce | Restaurant grants | 22.0 | 22,000,000 | 22,000,000 | 1,112,916 |
| Commerce | Small Business marketing | 1.0 | 1,000,000 | 999,998 | 999,998 |
| DBM | Disparity Grant | 5.0 | 5,000,000 | 5,000,000 | 5,000,000 |
| DHCD | Entertainment Venues | 10.0 | 10,000,000 | 0 | 0 |
| DHCD | Main Street program | 2.0 | 2,000,000 | 2,000,000 | 2,000,000 |
| DHCD | Non-Profit Assistance Grants | 20.0 | 20,000,000 | 0 | 0 |
| DHCD | Rural Broadband | 2.0 | 2,000,000 | 552,282 | 552,282 |
| DHCD | 30-day emergency housing grants | 15.0 | 15,000,000 | 0 | 0 |

APPENDIX II- Recovery Now Fund Spending Summary
As of June 16

| <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 | 1,349,851 |
| DHS | Temporary Disability Assistance Payments | 22.0 | 10,077,028 | 10,077,028 | 10,077,028 |
| 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 | 37,981 |
| Labor | Market work-sharing programs | 1.0 | 0 | 0 | 0 |
| Compt./Labor | Pending UI claim payments | 32.0 | 33,850,000 | 33,850,000 | 33,850,000 |
| MARBIDCO | Rural & Agricultural business grants | 2.0 | 2,000,000 | 1,360,239 | 1,360,239 |
| MCHRC | DDA Provider Grants | 5.0 | 3,307,647 | 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 16**

| <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 | 3,330,241 |
| BCCC | BCCC | 1.2 | 1,217,785 | 612,488 | 612,488 |
| 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 | 227,734,808 | 167,315,329 | 117,868,366 |