

# STATE OF MARYLAND



## American Rescue Plan State and Local Fiscal Recovery Funds



## 2022 Annual Performance Report



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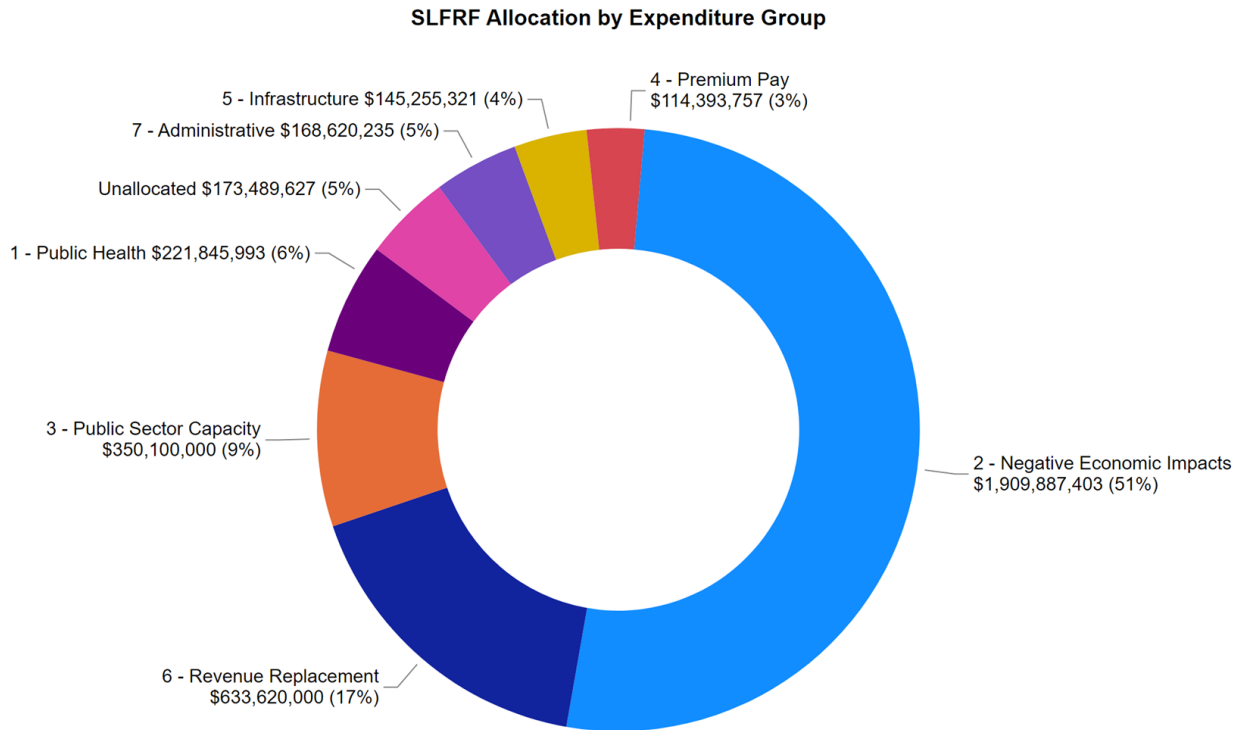
## Executive Summary

In 2020, the COVID-19 virus came to America’s shores, creating an unprecedented need for public sector action to address the health and economic impacts of the pandemic. In 2021, the State of Maryland was allocated \$3.7 billion by the Federal Government for American Rescue Plan, State and Local Fiscal Recovery Funds (SLFRF). This SLFRF Annual Performance Report describes project performance, highlighting the:

- Speed that SLFRF were allocated to meet urgent needs during the pandemic emergency.
- Rate of spending (expenditures) demonstrating SLFRF were distributed quickly to jumpstart the recovery and the progress made over the past year.
- Equitable use of SLFRF to support disadvantaged and underserved Marylanders, small businesses and nonprofits, education, and industries hit hardest by the pandemic.

This report details expenditures from March 3, 2021 through June 30, 2022, and includes planned allocations for state fiscal year 2023 (July 1, 2022 through June 30, 2023).

In Maryland, SLFRF funds 28 projects, including 89 subprojects. This report includes data collection and project monitoring efforts to ensure the efficient, effective, and equitable use of SLFRF. Exhibit 1 summarizes Maryland’s allocation of SLFRF by expenditure group. To-date, Maryland has spent \$2.482 billion (or 67%) of the \$3.717 billion the state was allocated.



## Maryland's Funding Allocation Process

When the American Rescue Plan (ARP) became law on March 11, 2021, Governor Larry Hogan and the General Assembly moved quickly to reach a [bipartisan spending plan](#) for State and Local Fiscal Recovery Funds (SLFRF). [Supplemental Budget #5](#) was introduced by the governor on March 31, 2021 reflecting appropriations for many of the agreed-upon items.

Governor Hogan and the General Assembly were confident the spending plan would:

- Support urgent COVID-19 response efforts to decrease the spread of the virus
- Support immediate economic stabilization for households and businesses
- Address public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations
- Replace lost public sector revenue to strengthen support for vital public services and to help retain jobs

The U.S. Treasury's [Final Rule](#) establishes that American Rescue Plan, State and Local Fiscal Recovery Funds (SLFRF) can be utilized for:

- Public health responses for those impacted by the pandemic, including the general public
- Responses to the negative economic impacts that were experienced as a result of the pandemic
- Additional services, either as a public health response or a response to the negative economic impacts of the pandemic, for disproportionately impacted communities.

Prior to the federal American Rescue Plan (ARP), Governor Hogan championed the [RELIEF Act of 2021](#), which was enacted by the Maryland General Assembly as an emergency bill and signed into law on February 15, 2021. Implemented as 'Recovery Now' projects, the state leveraged SLFRF for many of the projects, and excluded any items in the original agreement that are not eligible based on the Final Rule. Recovery Now projects are labeled in the Project Inventory section of this report. Many of the Recovery Now projects are completed, demonstrating the speed of implementation, timely distribution of funds, and equitable support to Marylanders and organizations in-need.

In total, the state has been allocated \$9.2 billion from the American Rescue Plan. Outside of SLFRF, \$248 million has been allocated through the [Homeowner Assistance Fund \(HAF\)](#) and over \$300 million for the Emergency Rental Assistance Program (ERAP) specifically to the Department of Housing and Community Development as part of the American Rescue Plan. Similarly, federal funds for vaccinations, [\\$2.8 billion for K-12 Education](#), and other federal funds may fall outside of SLFRF. This report focuses on the \$3.7 billion allocated for SLFRF.

## Key Outcome Goals

Since 1999, [Managing for Results](#) has been the state's strategic planning, performance measurement, and performance informed budgeting program. Each agency / unit of government is responsible for establishing written strategies and objectives, and then creating outcome and output measures that align to those strategies and to the Administration's priorities. Many of the performance measures in the Managing for Results program are required as part of legislative reporting. In total, the state reports on approximately 4,000 performance measures annually.

This established performance measurement process put Maryland in a strong position to set clear and measurable goals for deployment of SLFRF.

Outcome goals for SLFRF:

- Improvement in health outcomes by addressing inequity in health care access and quality
  - Reduced cancer and heart disease mortality rates
  - Reduced infant mortality, with a focus on reducing the gap between infant mortality rates for African Americans and other races
  - Improving the percentage of births with first trimester care
- Reduction in poverty, food insecurity, and utility debt
  - Increase in the number of local workforce development board clients placed in employment
  - Decrease in the percentage of families and people whose income in the last 12 months was below the poverty level
  - Decrease in the prevalence of households with very low food security
  - Reduction in statewide utility bill arrearages
- Improved educational outcomes through school infrastructure improvement, broadband access expansion, and programs to address pandemic learning loss
  - Increase in the four-year high school graduation rate
  - Increase in the number of households with access to broadband internet services
- Stabilization and growth of Maryland's economy through support to small businesses and industries most negatively impacted by the pandemic
  - Comparison of Maryland's unemployment rate to the national average
  - Increase in Maryland's Real Gross Domestic Product (GDP)
  - Increase in state sales tax revenue attributable to tourism

## Use of Funds

Maryland allocated SLFRF to 28 projects. The following table summarizes the use of funds:

Group	Project Name	Description
1 - Public Health	1A - Provider Assistance	Temporary increase in Medicaid nursing home reimbursement rates; assist developmental disabilities providers with costs incurred from pandemic-related reopening and revenue loss.
1 - Public Health	1B - Mental Health Assistance	Ensure all current mobile crisis, walk-in crisis, and other mental health crisis providers can continue essential services.
1 - Public Health	1C - Violence Intervention	Provide funding to the Victims of Crime Act (VOCA) program. VOCA works to improve the treatment of victims by helping their restoration after criminal violence and to support them through the justice process.
1 - Public Health	1D - Prevention in Congregate Settings	Provide funding for air quality, heating, ventilation, and air conditioning upgrades for public school buildings. Provide grants to help schools safely reopen for in-person instruction. Plus, infrastructure funding for adult day care centers, nursing homes, hospitals, and local health departments.
1 - Public Health	1E - Substance Use Providers	Provides financial assistance for statewide public health providers to address revenue shortfalls due to COVID-19 and to address increased demand for services.
1 - Public Health	1F - Vaccinations	Provided funding for \$100 vaccine incentives for the Judiciary and Legislative Departments, and vaccine scholarship incentives to teenagers.
2 - Negative Economic Impacts	2A - Business Assistance: Entertainment and Hospitality	Provided funding to local governments for grants to hotels, motels, bed-and-breakfast inns, live entertainment venues, and promoters.

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Group	Project Name	Description
2 - Negative Economic Impacts	2B - Business Assistance to Impacted Industries	Supports the recovery of Maryland's rural and agricultural businesses through targeted grant programs.
2 - Negative Economic Impacts	2C - Small Business	Provides support for a variety of small businesses through a grant program to help preserve the state's main street economies; funding for the Maryland Small Minority and Women-Owned Businesses Account (SMWOBA); and investments in tourism marketing for Maryland small businesses.
2 - Negative Economic Impacts	2D - Community and Public Benefits	Provides financial support to eligible individuals, households, and nonprofit organizations most disproportionately impacted by the pandemic including Temporary Cash Assistance (TCA) and the Temporary Disability Assistance Program (TDAP).
2 - Negative Economic Impacts	2E - Online Business Assistance	Provided funding to local governments for grants to businesses seeking to set up an online sales framework and offering employees telework opportunities.
2 - Negative Economic Impacts	2F - Housing Relief	Provided grants to Maryland electric and gas utilities with the goal of reducing or eliminating residential customer bill arrearages. Expanded the electric universal service program. Provided 30-day Emergency Housing Grants. Maryland Legal Services grants for home detention.
2 - Negative Economic Impacts	2G - Non-Profit Assistance	Provided grants to certain non-profit organizations to mitigate financial impacts of the COVID-19 pandemic
2 - Negative Economic Impacts	2H - Job Training	Provides support to community colleges and Local Workforce Development Boards (LWDBs) to engage individuals impacted by the COVID-19 pandemic and connect them to new employment or transition to a new career through training, skill enhancement, and educational opportunities.

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Group	Project Name	Description
2 - Negative Economic Impacts	2I - Broadband Services	Provides funding for technological devices for qualified Maryland households; Addresses gaps in broadband access and delivery; and subsidizes broadband devices and service fees to bridge the digital divide.
2 - Negative Economic Impacts	2J - Unemployment Insurance Payments to Individuals	Stabilized Maryland households experiencing unemployment due to the pandemic.
2 - Negative Economic Impacts	2K - Unemployment Insurance to Trust Fund	Replenished Maryland's Unemployment Insurance Trust Fund to maintain its solvency and stabilize rates.
2 - Negative Economic Impacts	2L - Affordable Housing	Homeownership Works (HOW) is a pilot program in two low-income neighborhoods. New homeownership opportunities, rehab and repairs for existing homeowners, counseling and legal services.
2 - Negative Economic Impacts	2M - K-12 Academic Services	Addresses learning loss from the effects of the COVID-19 pandemic on education; necessary supports and services for students; updated educational services provided to students in the Juvenile Services Education (JSE) Program.
2 - Negative Economic Impacts	2N - Public Health Equity Resources	Addresses child wellbeing post COVID-19 to aid Maryland children and families to reduce Adverse Childhood Experiences (ACEs); expands Boys and Girls Clubs MD for evidence-based youth development programs; support for Health Equity Resource Communities (HERCs)
3 - Public Sector Capacity	3A - Public Sector Assistance	Increases funds available to cover claims/ shortfall in health insurance expenses due to increased COVID-19 related claims; public safety salaries; and overtime pay for the Office of the Chief Medical Examiner.
3 - Public Sector Capacity	3B - K-12 Emotional and Behavioral Services	Addresses trauma and behavioral health issues exacerbated by the COVID-19 pandemic on students and their families.

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Group	Project Name	Description
4 - Premium Pay	4A - State Employee Premium Pay	Provided COVID-19 Response and Quarantine Pay to state employees that performed essential services during the public health emergency with limited ability to physically distance.
5 - Infrastructure	5A - Last Mile Projects	Supports broadband infrastructure and deployment to unserved households / areas.
5 - Infrastructure	5B - Broadband Services Statewide	Provides grants for rural broadband programs and projects across the state. And funded Recovery Now projects, selected based on location and ability to be completed quickly.
6 - Revenue Replacement	6A – Revenue Budget Relief	Offsets a revenue shortfall in the Maryland Housing Counseling Fund; technology improvements to teleworking state employees; budget relief to the Maryland Transit Administration and State Highway to assist with bus operations and to carry out maintenance on the state's highway system.
7 - Administrative	7A - Units of Government Transfers	Transfer of funds from other accounts using SLFRF, for example backfilling the Education Trust Fund.
7 - Administrative	7B - Administrative Expenses	SLFRF compliance and reporting support, policy analysis, and technical assistance.

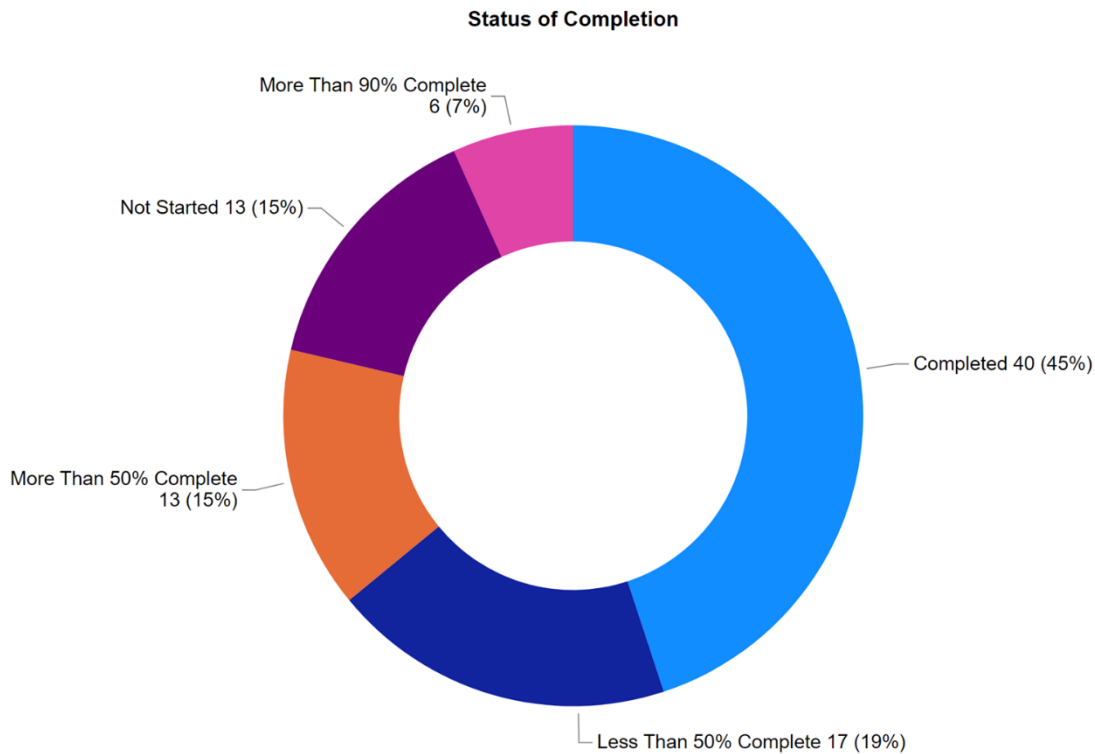
## Financial Summary

Of the \$3,717,212,336 from the federal government, \$3,543,722,709 (95%) of Maryland's SLFRF has been allocated to 28 projects, including 89 subprojects. \$173,489,627 (5%) is unallocated.

\$2,482,665,684 (67% of the federal allocation) has been spent.

At this time last year, \$610,543,864 (16%) had been spent.

The following chart illustrates the completion status of the subprojects.





## Financial Summary Table

The following table contains the budgeted amount and expenditures for SLFRF projects through June 30, 2022. (sorted by Project ID)

*Key: EC is Expenditure Category, a code established by the U.S. Treasury to group projects. ID is the Project ID created by the state. Project Name is the name the state assigned to the project. Budget is the amount the state allocated for a project. Expenditures are the amount spent.*

EC	ID	Project Name	Budget	Expenditures
1.14	1A	Provider Assistance	\$31,000,000	\$30,730,415
1.12	1B	Mental Health Assistance	\$15,000,000	\$5,476,024
1.11	1C	Violence Intervention	\$5,801,293	\$3,163,590
1.4	1D	Prevention in Congregate Settings	\$164,000,000	\$75,334,702
1.13	1E	Substance Use Providers	\$5,000,000	\$4,383,721
1.1	1F	Vaccinations	\$1,044,700	\$1,044,700
2.35	2A	Business Assistance: Entertainment and Hospitality	\$42,969,587	\$42,969,587
2.36	2B	Business Assistance to Impacted Industries	\$11,500,000	\$10,982,580
2.29	2C	Small Business	\$70,000,500	\$27,978,693
2.3	2D	Community and Public Benefits	\$200,162,774	\$159,212,628
2.3	2E	Online Business Assistance	\$500,000	\$500,000
2.2	2F	Housing Relief	\$121,000,000	\$120,250,640
2.34	2G	Non-Profit Assistance	\$46,870,041	\$46,870,041

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EC	ID	Project Name	Budget	Expenditures
2.1	2H	Job Training	\$91,982,844	\$51,003,927
2.4	2I	Broadband Services	\$86,000,000	\$4,006,921
2.9	2J	Unemployment Insurance Payments to Individuals	\$40,237,000	\$40,237,000
2.28	2K	Unemployment Insurance to Trust Fund	\$900,000,000	\$830,000,000
2.15	2L	Affordable Housing	\$10,150,000	\$0
2.25	2M	K-12 Academic Services	\$269,514,657	\$83,766,802
2.37	2N	Public Health Equity Resources	\$19,000,000	\$1,361,451
3.1	3A	Public Sector Assistance	\$325,100,000	\$314,296,538
3.4	3B	K-12 Emotional and Behavioral Services	\$25,000,000	\$6,803,055
4.1	4A	State Employee Premium Pay	\$114,393,757	\$114,389,754
5.19	5A	Last Mile Projects	\$143,255,321	\$2,950,826
5.21	5B	Broadband Services Statewide	\$2,000,000	\$2,000,000
6.1	6A	Revenue Budget Relief	\$633,620,000	\$370,215,094
7.2	7A	Units of Government Transfers	\$153,620,235	\$131,772,749
7.1	7B	Administrative Expenses	\$15,000,000	\$964,246
		<b>Total</b>	<b>\$3,543,722,709</b>	<b>\$2,482,665,684</b>

## SLFRF Performance Highlights

- Improve Public Health: [On February 15, 2022, the Maryland Community Health Resource Commission \(CHRC\) voted to award 9 grantees under the new “Pathways to Health Equity” program, investing \\$13.5 million in new resources in underserved communities throughout the state.](#) Specific health disparities targeted by the new projects include diabetes, asthma, heart disease and hypertension, mental health, substance use disorder, maternal and child health, and Sickle Cell Disease.
- Reduce Negative Economic Impacts: In February 2020 (pre-pandemic), Maryland’s unemployment rate was 4.2 percent. Two months later it rose to 9.5 percent. As of June 2022, the state’s unemployment rate was at 4.0 percent, two tenths of a percent from the pre-pandemic rate. As of May 2022, Maryland’s labor force participation /total employment was 97.5 percent of February 2020 levels.
- Reduce Negative Economic Impacts: As of the fourth quarter of 2021, Maryland’s Real Gross Domestic Product (GDP) was at 99.2 percent of its reading from the fourth quarter of 2019 (pre-pandemic). GDP is the U.S. Bureau of Economic Analysis’ most comprehensive measure of state and county economic activity.
- Emergency Financial Assistance: The number of individuals participating in the Temporary Assistance for Needy Families (TANF) program increased from approximately 25,000 pre-pandemic to a high of over 57,000 during the state of emergency. The state used SLFRF to help support these individuals and families.
- Emergency Financial Assistance: Electric and gas utilities, as a result of increased arrearages (late bills), were allocated \$83,000,000 in SLFRF. The [2021 Maryland Public Service Commission Annual Report](#) describes statewide arrearages have dropped back to approximate pre-pandemic levels for most utilities. And the number of customers experiencing payment difficulties is well below historical averages.
- Pandemic related unemployment claims depleted the Unemployment Insurance (UI) Trust Fund. As of September 27, 2021, Maryland paid off its federal UI loan balance with SLFRF as allowed under the U.S. Treasury’s Final Rule and Senate Bill SB 811. This action avoided the federal unemployment insurance tax credit reduction that was set to trigger in 2022, replenishing the UI Trust Fund with \$830 million.
- Investments in Infrastructure: [On August 20, 2021, Governor Larry Hogan announced the launch of Connect Maryland](#), a transformative new initiative to supercharge the State of Maryland’s broadband investment with a total new investment of \$400 million to fully address the digital divide. “The State of Maryland has set an ambitious goal of ensuring universal broadband to everyone in every single corner of the state by no later than 2025, and Connect Maryland is the game-changing initiative that is going to get us there,” said Governor Hogan. “This is just one more shining example that we aren’t just committed to fully recovering from the pandemic, but we are committed to coming back even stronger and better than ever before.” SLFRF Projects 5A and 5B are part of Connect Maryland.

## Community Engagement and Promoting Equitable Outcomes

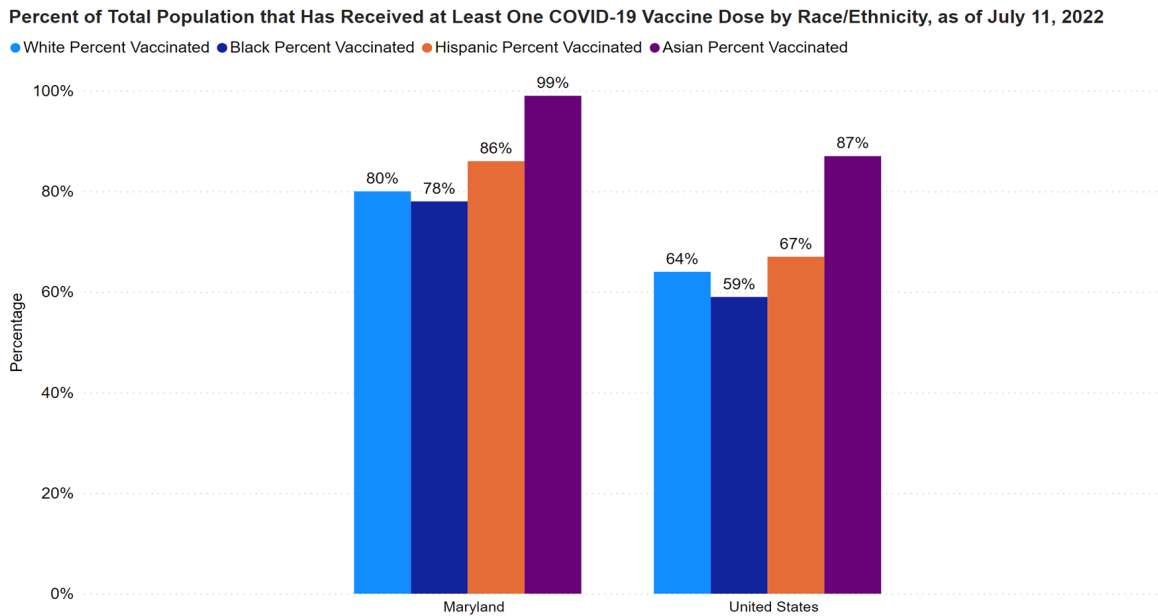
Agency priorities for the use of SLFRF were strengthened by the state’s existing capabilities for engaging Marylanders to understand problems and develop solutions, with an emphasis on promoting equitable outcomes. Three examples include the Vaccine Equity Task Force, Pathways to Health Equity, and Utilities Financial Assistance for Vulnerable Marylanders.

### Vaccine Equity Task Force

In 2021, Governor Hogan created the [Maryland Vaccine Equity Task Force \(VETF\)](#), led by the Maryland National Guard, to work with the state’s 24 local health departments to focus COVID-19 vaccination efforts on underserved, vulnerable, and hard-to-reach populations to ensure the equitable delivery of vaccines, including minorities and non-English speaking populations.

[Maryland’s GoVAX campaign](#) has leveraged resources with close ties to key communities, including the state’s Vaccine Advisory Group, the [Governor’s Office of Community Initiatives](#), the state’s network of Medicaid providers, and public sector and community partners.

The following chart illustrates that as of July 11, 2022, vaccinations for White, Black, Hispanic, and Asian populations are higher in Maryland than they are nationally.



Source: Vaccination data based on Kaiser Family Foundation (KFF) analysis of available data on state websites; total population data used to calculate rates based on KFF analysis of 2019 American Community Survey data. Number of states included in analysis varies based on available data at time of data collection; Data as of 7/11/2022; Sorted by size of population; [retrieved from kff.org](https://www.kff.org)

## Pathways to Health Equity

In 2021, the [Community Health Resource Commission \(CHRC\)](#), [Office of Minority Health and Health Disparities \(OMHHD\)](#), and the Chesapeake Regional Information System for our Patients (CRISP) led the implementation of Maryland's new [Health Equity Resource Communities \(HERCs\)](#). Throughout the state, HERCs help to engage communities and to prioritize programs for equitable public health.

HERCs are the result of the *Maryland Health Equity Resource Act*, approved in 2021 to provide significant new grant funding and state resources for local communities to address health disparities, improve health outcomes, expand access to primary care and prevention services, and help reduce health care costs.

## Utilities Financial Assistance for Vulnerable Marylanders

On July 8, 2020 the [Maryland Public Service Commission \(PSC\)](#) initiated Public Conference 53 to assess the impacts of COVID-19 on Maryland utilities and customers, including accumulated arrearages (late bills), service terminations, and other financial and administrative challenges, and to explore regulatory actions to mitigate those impacts.

The Commission held public hearings on the accumulation of large arrearages as a result of COVID-19. Community engagement led to the adoption of using SLFRF to pay customer late bills, prioritizing those in-need, including Marylanders in Home Energy Assistance Programs and people with special medical needs including from COVID-19.

Community engagement also helped ensure a reporting mechanism was in place so that utilities would report back to PSC once late bills were paid with SLFRF, including the type, amount, and address so that the Commission could analyze the results to ensure the program hit its mark.

As a result, \$83,000,000 in SLFRF were allocated to pay late utility bills for Marylanders in-need. Over 150,000 customers received support.

There are many more examples described in the Projects Inventory section about how Maryland was able to leverage existing capabilities for community engagement and promoting equitable outcomes to prioritize the timely use of American Rescue Plan, State and Local Fiscal Recovery Funds.

## Project Expenditure Groups

The remainder of this report details each of the seven (7) allocation expenditure groups defined by the U.S. Treasury. Each group is summarized and includes an inventory of the eighty-nine (89) subprojects, organized as follows:

### Projects Inventory

Expenditure Group	Projects	Subprojects
1 - Public Health	6	16
2 - Negative Economic Impacts	14	45
3 - Public Sector Capacity	2	4
4 - Premium Pay	1	2
5 - Infrastructure	2	4
6 - Revenue Replacement	1	11
7 - Administrative	2	7
<b>Total</b>	<b>28</b>	<b>89</b>

1. **Public Health** – Describes how funds are being used to respond to COVID-19, the broader health impacts of COVID-19, and the COVID-19 public health emergency. There are six (6) projects, including sixteen (16) subprojects in this group.
2. **Negative Economic Impacts** – Describes how funds are being used to respond to negative economic impacts of the COVID-19 public health emergency, including to households, small businesses, and nonprofits. There are fourteen (14) projects, including forty-five (45) subprojects in this group.
3. **Public Sector Capacity** – Describes how funds are being used to respond to the COVID-19 public health emergency by supporting public sector capacity to deliver services to respond to public health and negative economic impacts. There are two (2) projects, including four (4) subprojects in this group.
4. **Premium Pay** – Describes how SLFRF are being used to support the goals, sectors, or occupations served in any premium pay group, for example essential workers. There is one (1) project in this group. It contains two (2) subprojects.
5. **Water, Sewer, and Broadband Infrastructure** – This section describes the broadband projects being pursued, including how the projects benefit disadvantaged communities. There are two (2) projects, including four (4) subprojects in this group.
6. **Revenue Replacement** – Describes the loss in revenue for government programs due to the COVID-19 public health emergency, and how funds are used to provide government services. There is one (1) project in this group. It contains eleven (11) subprojects.
7. **Administrative** – Projects in this group provide administrative support. For example, units of government transfer payments and SLFRF program management. There are two (2) projects, including seven (7) subprojects in the final group.

## Improving Public Health Projects: Section Overview

Public health is the science of protecting and improving the health of people and their communities. This work is achieved by promoting healthy lifestyles, researching disease and injury prevention, and detecting, preventing, and responding to infectious diseases. Overall, public health is concerned with protecting the health of entire populations. These populations can be as small as a local neighborhood, or as big as an entire country or region of the world.<sup>1</sup>

What is Health Equity?

Health equity exists when all people, regardless of race, sex, sexual orientation, disability, socio-economic status, geographic location, or other societal constructs have fair and just access, opportunity, and resources to achieve their highest potential for health.<sup>2</sup>

Since 2004, the [Maryland Office of Minority Health and Health Disparities \(OMHHD\)](#) has a mission to address social determinants of health and eliminate health disparities by leveraging the Department's resources, providing health equity consultation, impacting external communications, guiding policy designs, and influencing strategic direction on behalf of the Secretary of Health. The Office's vision is to achieve health equity where all individuals and communities have the opportunity and access to achieve and maintain good health.

The [Maryland Community Health Resources Commission \(CHRC\)](#) was created by the Maryland General Assembly in 2005 to expand access to health care services in underserved communities. The CHRC is an independent commission operating within the Maryland Department of Health (MDH), whose 11 members are appointed by the governor. Since its inception, the CHRC has awarded 648 grants totaling \$111.9 million, supporting programs in every jurisdiction of the state. These programs have collectively served more than 517,000 Marylanders, and grants awarded by the CHRC have enabled grantees to leverage \$31.8 million in additional federal and private/non-profit resources.

The CHRC supports the work of community health care resources and fulfills its statutory mission in the following activities:

1. Awarding grants to expand access in underserved areas and support public health priorities;
2. Staffing the Maryland Council on Advancement of School-Based Health Centers;
3. Supporting the State's Diabetes Action Plan through the provision of assistance to Local Health Improvement Coalitions;
4. Implementing the provisions of Senate Bill 496 - Recovery for the Economy, Livelihoods, Industries, Entrepreneurs and Families (RELIEF) Act by providing emergency grant funding to Title 7 Developmental Disabilities Administration Providers for re-opening, transformation, or revenue loss;

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<sup>1</sup> U.S. Centers for Disease Control and Prevention; CDC Foundation; Website link - <https://www.cdcfoundation.org/>

<sup>2</sup> Health Equity Leadership & Exchange Network, 2020; Retrieved from - <https://healthequitytracker.org/whatishealthequity>

5. Establishing the Pathways to Health Equity Program/ [Health Equity Resource Communities](#) under the Maryland Health Equity Resource Act of 2021
6. Establishing the Maryland Consortium of Coordinated Community Supports under the Blueprint for Maryland's Future; and
7. Providing ongoing technical assistance to CHRC grantees, other programs, and executing other special projects.

In 2021, the Office of Minority Health and Health Disparities (OMHHD), the Maryland Department of Health (MDH), and the [Maryland Health Care Commission \(MHCC\)](#) focused efforts to improve data collection, analysis, and reporting of health disparities. State laws were updated to include additional requirements for collaboration, establishment of an inventory of health disparities and a clearinghouse / database to manage them, and enhancement of the frequency and detail of health disparities reporting in the executive branch and to the legislature. An initial annual report was provided in December 2021 titled [House Bill \(HB\) 309 / Senate Bill \(SB\) 565: Health Disparities Legislative Report](#).

The state also established the Maryland Commission on Health Equity. Over the next two years, the Commission will establish a comprehensive plan for the elimination of minority health disparities.

## Innovations in Health Care and Human Services

Maryland is an innovative leader in public health with the state's "[Total Cost of Care](#)" (TCOC) payment program and the state's cross-agency gateway to Health and Human Services, [MD THINK](#).

Unique among American states, Maryland requires that hospitals receive the same payment for specific treatments delivered to Medicare, Medicaid, commercially insured, or self-pay patients under a global budget covering all hospital and non-hospital costs. Over the five-year period 2015 through 2019, Maryland's standardized per-capita Medicare spend declined from 1 percent above the national average to 1 percent below, with improvement in many quality metrics. Global budgets create powerful incentives for hospitals not to overcharge or overtreat. In a recent report by [Fair Health](#)<sup>3</sup>, among all 50 states Maryland had the lowest average costs for complex COVID-19 hospitalizations. At \$49,127, Maryland's cost was just under half the national average of \$98,139 and over \$20,00 less than the next lowest-cost state (Arkansas).<sup>4</sup>

Maryland's payment system also helped mitigate the financial impact of COVID-19 on hospitals. During the early months of the pandemic's economic lockdown, when hospital revenue plunged nationwide due to a sharp falloff in visits and elective procedures, Maryland's hospitals experienced [inpatient and outpatient revenue declines of just 1.6 percent and 15 percent](#).

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<sup>3</sup> *COVID-19 Treatment and Hospitalization Costs*; A FAIR Health Brief; 12/15/21

<sup>4</sup> *Meaningful Value-Based Payment Reform, Part 1: Maryland Leads The Way*; Emanuel, Ezekiel J.; Johnson, David W.; Guido, Matthew; Goozner, Merrill; Health Affairs; healthaffairs.org; 2/9/2022



[respectively](#).<sup>5</sup> This moderation of revenue flows occurred because Maryland's Health Services Cost Review Commission granted hospitals the latitude to temporarily raise prices to make up for volume shortfalls. As operations normalized, hospitals lowered prices to keep their overall spending within global budget parameters.

An analysis of the first two years of the TCOC program found some significant improvements particularly in the areas of care management, access, and continuity. In the first performance year of Maryland's TCOC model, the state reduced spending by \$365 million, relative to national trends, according to a [Mathematica implementation report](#).

[Maryland's Total Human-services Integrated Network \(MD THINK\)](#) is a cross-agency collaboration between the Department of Health, Department of Human Services, Department of Juvenile Services, MD Health Benefit Exchange, and the Department of Public Safety and Correctional Services. The solution enables Marylanders to apply for and manage a host of integrated health and human services. Modern technology provides for a great user experience, and case worker artificial intelligence helps to identify government programs and services that people are in-need to receive. For example, a family on Medicaid and receiving Temporary Assistance for a Disability may also trigger an alert for Supplemental Nutrition Assistance and other emergency social services. The state utilized MD THINK to help get SLFRF to Marylanders in-need, especially to disproportionately impacted populations.

[On July 7, 2022, Governor Larry Hogan announced the launch of the Center of Excellence on Health and Human Services Analytics and Applications](#) as the latest development for MD THINK and delivers on the governor's promise to enhance data analytics to enable state agencies to deliver better service to Marylanders.

“In 2017, when I announced the launch of MD THINK, I recognized the need for state agencies to have access to better technology and data to support their business decisions,” said Governor Hogan. “MD THINK is a national model for using a cloud-based data system to improve the delivery of health and human services, and the establishment of the Center of Excellence will take MD THINK to the next level by allowing more robust and sophisticated data analysis to inform business operations.”

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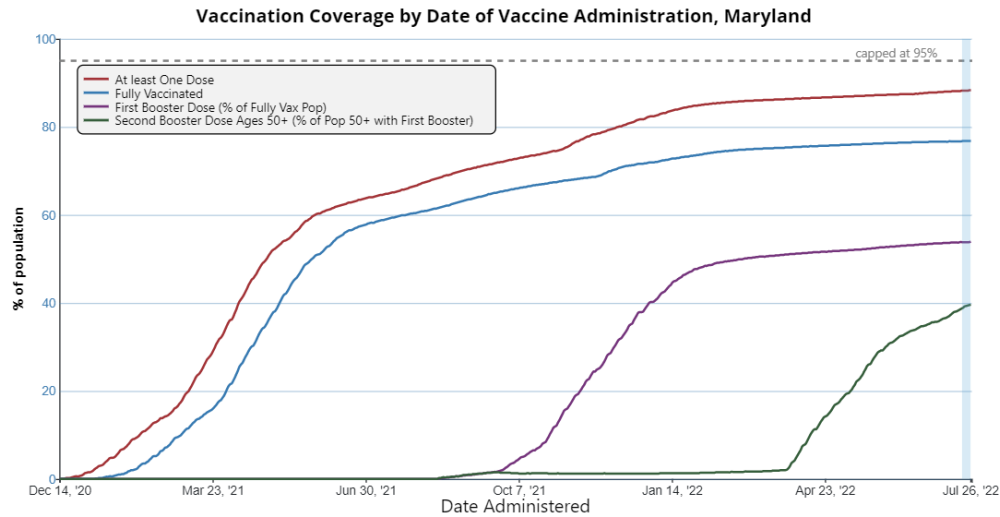
<sup>5</sup> *Hospital Revenue Under Maryland's Total Cost of Care Model During the COVID-19 Pandemic, March-July 2020*; Levy, Joseph D. PhD; Ippolito, Benedic N. PhD; Jain, Amit MD; Journal of American Medicine (JAMA Network); 2022 American Medical Association website.

## Improving Public Health Outcome Measures

### COVID-19 Statistics

#### *COVID-19 Deaths, Hospitalizations, and Vaccinations*

The Maryland Department of Health (MDH) refreshes COVID-19 statistics daily on its website: <https://coronavirus.maryland.gov/>. The following chart illustrates vaccination rates in Maryland from December 2020 to July 26, 2022.<sup>6</sup>



### Selected Maryland Public Health Data Websites

[Maryland Behavioral Risk Factor Surveillance System \(BRFSS\)](#)

[Maryland Vital Statistics Administration Statistics and Reports](#)

[State Health Improvement Process \(SHIP\)](#)

Many of the public health measures on these sites can be used to identify ‘overburdened populations’ as defined by the [Maryland Climate Solutions Now Act of 2022](#). The Act defines underserved and overburdened populations to address environmental justice. For example, to locate census tracts to prioritize broadband investments, increasing access to telemedicine.

Next, let us examine each SLFRF project.

<sup>6</sup> United States Centers for Disease Control and Prevention; COVID Data Tracker; *Trends in Number of COVID-19 Vaccinations in the U.S.*; Data as of July 27, 2022; retrieved <https://covid.cdc.gov/covid-data-tracker/#vaccination-trends>

1A – Provider Assistance

Project ID	1A
Project Name	Provider Assistance
Budget	\$31,000,000
Expenditure Category	1.14 – Other Public Health Services

**Financial Summary**

ID	Subproject Name	Budget	Expenditures	Status
1A.1	2% Nursing Home Temporary Rate Increase	\$26,000,000	\$26,000,000	Completed
1A.2	Recovery Now - Maryland Department of Health - Developmental Disabilities Administration Provider Grants	\$5,000,000	\$4,730,415	More Than 90% Complete

**Project Description**

This project served Maryland’s most vulnerable populations during the COVID-19 state of emergency with financial assistance to nursing facilities and to developmental disabilities providers.

On December 17, 2020, Governor Larry Hogan announced that Medicaid long term care and behavioral health provider rate increases, pursuant to Maryland Senate Bill 280 (2019), would go into effect January 1, 2021. With the support of SLFRF, [an additional 2% increase to Maryland Medical Assistance reimbursement rates \(\\$26 million\) was provided to nursing facilities for dates of service on July 1, 2021 to June 30, 2022.](#)

Many different groups of people may be eligible for Medicaid in Maryland. As part of health reform, Maryland expanded Medicaid to nearly all adults under age 65 with incomes at or below 138% of the [Federal Poverty Level](#) or about \$1,564 per month for a household of one person in 2022. Medicaid covers the cost of long term care in nursing facilities for low income individuals who meet [Medicaid eligibility, medical, and financial requirements](#). There are approximately 230 nursing homes and 30,000 beds that can be utilized in the [Maryland Medicaid Nursing Home Program](#).

Home and Community-based Services (HCBS) providers received a separate increase from the American Rescue Plan outside of SLFRF, including a 10% enhanced federal medical assistance percentage (eFMAP).

## **Intended Outcomes**

- Continued operation of and sufficient staffing for nursing home facilities to meet the on-going need for care for senior Marylanders.
- Maryland residents have access to services for COVID and non-COVID medical needs.
- Health providers maintain their ability to serve the public throughout the pandemic, with no net loss in services due to pandemic revenue loss or cost increases.
- Statewide public health will stabilize during pandemic recovery.

### **1A.1 - 2% Nursing Home Temporary Rate Increase**

The temporary 2% rate increase was based on nursing facilities' Medicaid reimbursement. Funds were delivered by way of the Medicaid Management Information Systems (MMIS).

Awareness for the project was communicated through engagement with nursing facility stakeholders and associations, including Nursing Facility Liaison Committee members, the department website, and in written communications. Funding amounts were allocated to providers based on their Medicaid revenues for the previous two fiscal years.

The goal of the temporary rate increase was to provide assistance to nursing facilities across Maryland with maintaining operations and keeping residents and staff safe during the COVID-19 pandemic. Evidence-based interventions beyond Medicaid eligibility requirements were not relevant to the award criteria.

### **1A.2 - Recovery Now - Maryland Department of Health - Developmental Disabilities Administration (DDA) Provider Grants**

This project assisted developmental disabilities providers with costs incurred from pandemic related reopening, for example, revenue loss and transforming services to meet pandemic requirements.

Applications from developmental disabilities providers were due on May 10, 2021. The state received 117 applications that were approved June 4, 2021, and a second round of 44 awards were approved on June 24, 2021 totaling \$5 million. Grants were awarded to providers across the state on a non-competitive basis.

The [Developmental Disabilities Administration \(DDA\)](#) partnered with the [Community Health Resources Commission \(CHRC\)](#) to distribute grant funds to eligible providers based on agreed criteria.

The CHRC and DDA released a joint memorandum to advise the provider community of the funding opportunity. After the initial application period ended, CHRC staff worked with providers to apply for funding.

**Performance**

*Developmental Disabilities Administration Provider Grants Distributed*

Count of Awards	161
Range of Award Amounts	\$12,000 - \$60,100
Average Award Amount	\$31,089
Median Award Amount	\$30,100
Awards to Organizations in Economically Disadvantaged Areas*	11%

\*Defining Economically Disadvantaged Areas:

- A median income that is 80 percent or less of the average median household income in the state;
- An unemployment rate that is at least 150 percent of the unemployment rate in the state;
- A health uninsured rate that is at least 150 percent of the health uninsured rate in the state;
- A food stamp or Supplemental Nutrition Assistance Plan (SNAP) rate that is at least 150 percent of the food stamp or SNAP Rate in the state; AND
- A poverty rate that is at least 150 percent of the poverty rate in the state.

Code of Maryland Regulations (COMAR) 10.62.01.01(B)(13)

The Maryland Medical Cannabis Commission evaluated each metric using the 2012-2016 5-year American Community Survey (ACS) to identify sixty-one (61) zip code tabulation areas (ZCTAs) that qualify as Economically Disadvantaged Areas in Maryland and published them in its [Guidance for Identifying Economically Disadvantaged Areas](#) on January 11, 2019. These data were used to identify the number of Developmental Disabilities Administration (DDA) grant provider awards to organizations in economically disadvantaged areas.

See Appendix B for more information on Defining Disadvantaged Geographies.

## 1B – Mental Health Assistance

Project ID	1B
Project Name	Mental Health Assistance
Budget	\$15,000,000
Expenditure Category	1.12 - Behavioral Health: Mental Health Services

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
1B.1	Recovery Now - Maryland Department of Health - Mobile Crisis and Stand-Alone Crisis Services	\$15,000,000	\$5,476,024	Less Than 50% Complete

Starting July 16, 2022, Maryland has a new way to connect to local behavioral health and crisis services. [Calling 988 will connect callers directly to the National Suicide & Crisis Lifeline which encompasses all behavioral crisis services, to include mental health and substance use \(problems with drug and alcohol use\).](#)

### Background

Pre-pandemic statistics: One in five adults experiences a mental health condition every year and one in seventeen lives with a serious mental illness. Adults in the United States living with serious mental illness die on average 25 years earlier than others, largely because of treatable medical conditions. 50% of those with mental illness experience its effects by age 14 and 75% by age 24, making early engagement and support critical for effective intervention. There is a well-documented link between substance use and mental health disorders as approximately 7.9 million adults in the United States have co-occurring disorders.<sup>7</sup>

In January 2019, Lt. Governor Rutherford announced [Executive Order 01.01.2019.06](#), signed by Governor Hogan, establishing the [Commission to Study Mental and Behavioral Health in Maryland](#). The commission, which is chaired by Lt. Governor Rutherford, has been tasked with studying mental health in Maryland, including access to mental health services and the link between mental health issues and substance use disorders. The commission includes representatives from each branch of state government, representatives from the state Department of Health, Public Safety and Correctional Services, and Human Services, as well as the Maryland State Police, the Maryland Insurance Administration, the Opioid Operational Command Center, and six members of the public with experience related to mental health.

<sup>7</sup> Executive Order 01.01.2019.06; State of Maryland, Executive Department; Commission to Study Mental and Behavioral Health in Maryland; retrieved <https://governor.maryland.gov/wp-content/uploads/2019/05/EO-01.01.2019.06-Commission-to-Study-Mental-and-Behavioral-Health-in-Maryland.pdf>

The COVID-19 pandemic has increased prior concerns about mental health. Survey data suggests that economic anxiety, feelings of loneliness, and depressive disorder are on the rise—four in ten American adults now report feelings of anxiety or depression, up from just one in ten prior to the pandemic.<sup>8</sup> In addition, these effects have been disproportionately felt by essential workers, who are more likely to report feelings of anxiety, depression, and substance use as well as represent communities of color.<sup>9</sup>

A Kaiser Family Foundation report from February 2021 noted that one in five essential workers recently reported that they have “seriously considered suicide in the last 30 days,” compared to eight percent of nonessential workers. In addition, 25 percent of essential workers report that they have increased use of or started use of substances to cope with stress, compared with 11 percent of non-essential workers.<sup>10</sup> Nearly 50 percent of individuals of color in recent surveys reported feeling depressed. This may be attributed to the fact that members of these communities have been disproportionately affected by COVID-19, are more likely to be essential workers, and have historically had more difficulty in accessing behavioral health care.

The U.S. Department of Health and Human Services (HHS) has long recognized the importance of providing access to qualified professionals who can respond in real-time to mental health and substance use disorder (SUD) crises. Community-based mobile crisis intervention services were first developed in the 1970s and have become a key element of an effective behavioral health crisis continuum of care. The main objectives of community-based mobile crisis intervention services are to provide rapid response, individual assessment, and crisis resolution by trained mental health and substance use treatment professionals and paraprofessionals in emergency situations that involve individuals who are presumed or known to have a mental health condition or SUD. With the provision of these intervention services, individuals can be linked to additional services immediately.

## **Project Description**

This project provides financial assistance for mental health crisis service providers to address revenue shortfalls due to the pandemic and addresses increased demand for services. The project will ensure all current mobile crisis, stand-alone walk-in crisis, and other mental health crisis services providers can continue essential services. Uses support the increased demand for behavioral health services due to the pandemic through an accelerated cost of living provider rate; increase to cover additional personnel costs, supplies, and other expenses; and revenue shortfalls.

With a community-based crisis intervention approach, mobile crisis teams assess individuals in the community where they are experiencing a behavioral health emergency and de-escalate the

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<sup>8</sup> Kaiser Family Foundation. (2021, February 10). The Implications of COVID-19 for Mental Health and Substance Use.

Retrieved from <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/>

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

situation on site and/or triage to appropriate services or a different setting. This enables the state to deploy appropriate medical professionals to situations where previously law enforcement would have been the only option available.<sup>11</sup> These services also promote cost effectiveness, and there is evidence that they reduce unnecessary emergency department visits and hospitalizations.<sup>12</sup>

## Timeline

The first round of applications for mental health crisis service providers closed in April 2021, with a total of \$3.9 million requested and [\\$3.1 million awarded](#). An additional \$2.3 million in awards were made in fiscal year 2022.

## Intended Outcomes

The SAMHSA National Guidelines for Behavioral Health Crisis Care describe three core components of a robust crisis system as follows: (1) a 24/7 clinically staffed call center that can serve as the hub of an integrated mental health crisis system; (2) mobile crisis response teams that can respond rather than law enforcement, and (3) crisis receiving and stabilization facilities that provide short-term services and can be accessed readily rather than relying on emergency departments or hospital environments.<sup>13</sup>

## Community Engagement

The Commission's Crisis Services Subcommittee (CSS) was formed to identify gaps in Maryland's crisis response system and to make recommendations on addressing these gaps. The CSS was charged with studying how the statewide crisis system operates in order to identify opportunities for creating a more comprehensive system of care.

In February 2021, the Behavioral Health Administration (BHA), in partnership with the Opioid Operational Command Center (OCCC), created the Maryland Crisis System Workgroup (MCSW) to help Maryland establish an integrated, comprehensive crisis response system.

This workgroup, composed of 75 diverse stakeholders from around Maryland, included representatives from state and local government, providers, advocates, and people with lived experience. MCSW met five times during 2021. Five workgroups were established as part of the MCSW: Data Dashboard; Best Practices/Standardization; Financing Sustainability; Children/Adolescents/Young Adults; and 988 Integration.

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<sup>11</sup> 3 CSG Justice Center. (2021, April). How to Successfully Implement a Mobile Crisis Team. Retrieved from [https://csgjusticecenter.org/wp-content/uploads/2021/04/Field-Notes\\_Mobile-Crisis-Team\\_508FINAL34.pdf](https://csgjusticecenter.org/wp-content/uploads/2021/04/Field-Notes_Mobile-Crisis-Team_508FINAL34.pdf)

<sup>12</sup> 4 IACP / UC Center for Police Research and Policy, University of Cincinnati. (n.d.). Assessing the Impact of Mobile Crisis Teams: A Review of Research. Retrieved from <https://www.theiacp.org/sites/default/files/IDD/Review%20of%20Mobile%20Crisis%20Team%20Evaluations.pdf>

<sup>13</sup> U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMSHA); retrieved <https://www.samhsa.gov/>



## 1C – Violence Intervention

Project ID	1C
Project Name	Violence Intervention
Budget	\$5,801,293
Expenditure Category	1.11 - Community Violence Interventions

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
1C.1	VOCA Community Service Coordinators	\$169,146	\$150,540	More Than 50% Complete
1C.2	VOCA New Futures Bridges Subsidy	\$2,000,000	\$901,413	Less Than 50% Complete
1C.3	VOCA Safe at Home Address Confidentiality Program	\$365,647	\$346,615	More Than 90% Complete
1C.4	VOCA Victim Services	\$3,266,500	\$1,765,022	More Than 50% Complete

### Project Description

The [Crime Victims Fund](#), established by the Federal Government with the Victims of Crime Act of 1984 (VOCA), is a major funding source for victim services throughout the nation. It is funded annually from criminal fines, forfeited bail bonds, penalties, and special assessments collected by U.S. Attorneys' Offices, federal U.S. Courts, and the Federal Bureau of Prisons. To date, fund dollars have always come from offenders convicted of federal crimes, not from taxpayers.

For Fiscal Year 2022, the federal government cut funding by 38% to the state's Victims of Crime Act fund. On July 22, 2021, President Biden signed the [VOCA Fix to Sustain the Crime Victims Fund Act of 2021](#) (VOCA Fix) to stabilize the fund. Earlier that year, the Maryland General Assembly passed budget language that outlined restrictions for VOCA funding recipients, including that no funding to state agencies may be awarded until each victim services provider has been awarded funding at no less than the same level as fiscal year 2020.

SLFRF provides valuable short-term funding to ensure the impact of victim services is sustained during the pandemic. This project includes 4 subprojects:

1C.1 - VOCA Community Services Coordinators

1C.2 - VOCA New Future Bridges Subsidy

1C.3 - Safe at Home Address Confidentiality Program

1C.4 - VOCA Victim Services

## **1C.1 - VOCA Community Services Coordinators**

The Department of Public Safety and Correctional Services (DPSCS) has historically received funding from the VOCA grant to support the salaries of four (4) Victim Services Coordinators. SLFRF provides assistance to support the short-term needs for the coordinators. Victim Services Coordinators are contractual employees hired to respond to telephone inquiries from crime victims and parole and probation agents regarding court ordered restitution and domestic violence services. Prior to the pandemic, the employees funded by this grant would also accompany victims to court for protective order hearings, arrange for emergency services for victims of domestic violence, and other public health services.

### **Use of Evidence**

Restorative justice is not only an aspect of public health, it also plays an important role in economic mobility. Results For America's Economic Mobility Catalog<sup>14</sup> describes the correlation between community-based victim services for restorative justice and economic mobility. Victim Services Coordinators provide support and safe communities that help family stability by providing timely information to victims and their family members following an act of violence.

From the crime scene, to investigation, trial / sentencing, the offender is housed at a state correctional facility, offender parole hearing, eligibility, and release date, offender on community supervision, sex offender registry. As a victim, having access to a Community Services Coordinator to provide information about the courts and the offender at each stage in the justice process plays a valuable role in restoration for the victim and their family. For example, contacting the Victim Services Coordinator to learn about a convicted offender's status, relay concerns about inappropriate contact by the offender, and to request mediated dialog. Contact the Victim Service Coordinator to learn about parole eligibility, upcoming hearings, and exercise your right to be present. SLFRF helped to continue their work without disruption during the pandemic.

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<sup>14</sup> *Justice and Public Safety Strategies to Strengthen Communities*; Results For America; Economic Mobility Catalog; retrieved <https://catalog.results4america.org/issue/criminal-justice-and-public-safety/justice-and-public-safety-strategies-to-strengthen-communtiiies>

## **1C.2 - VOCA New Future Bridges Subsidy**

The New Futures Bridge Subsidy (NFBS) Program is a short-term rental subsidy program available to survivors of domestic and/or intimate partner violence, sexual assault, or sex trafficking, and youth aging out of foster care who have been victims of neglect and/or abuse.

The NFBS Program works with victim service providers to assist in the stabilization of program participants into safe, decent, and affordable housing as they navigate towards restoration. A housing navigator is assigned to each program participant. The housing navigators work with participants on setting goals, provide assistance with locating housing, address barriers to housing and identify financial resources. The housing navigator also acts as a liaison between the program participant and the owner and/or property manager.

Participants of the NFBS Program receive a monthly rental subsidy, paid directly to their landlord. Participants are also assisted with security deposits as we know that these lump sum payments are often a barrier to obtaining housing or relocating to a safe location. All participants are eligible to receive up to \$500 in utility assistance, as large utility balances have also been identified as a barrier to obtaining and maintaining housing.

The New Futures Bridge Subsidy Program provides direct outreach to victim services providers throughout the State of Maryland. The Department of Housing and Community Development (DHCD) and victim service providers enter a memorandum of understanding (MOU) that clarifies the roles and responsibilities of each party to ensure that program participants are receiving services to address their individual needs.

### **Timeline**

Each program participant is eligible for twelve months of rental assistance. COVID-19 has exacerbated and caused several delays in participants' ability to transition to self-sufficiency. The lack of affordable housing and inflation have created additional barriers in participants obtaining goals set early on. Households have been offered an additional twelve months of assistance. This will allow additional time to work towards goals set for program participants.

### **Primary Delivery Mechanisms and Partners**

The NFBS Program currently has eight victim service provider agencies under MOU. These provider agencies conduct screening of eligible applicants and submit electronic applications to the NFBS Program. Housing navigators conduct virtual or telephone interviews with applicants. During the initial meeting, program applicants and their case manager are informed about the program guidelines and applicant income and household information is collected.

Background checks are conducted on program participants. Once an applicant is determined to be eligible for the program, the housing navigator works with the participant to set goals and begin the search for housing that is appropriate for the family. The housing navigator works with the landlord to execute the housing contract and to ensure that the unit is inspected prior to the family moving in.

Housing navigators conduct 30, 60, and 90-day meetings with the participant to ensure a smooth transition into the housing unit. The housing navigator also works with the participant to address progress made with goals.

### **Intended Outcomes**

The NFBS Program's primary goal is to ensure that victims of crime have access to safe, decent, and affordable housing as they navigate towards restoration. Many successful program participants have exited the program to long-term housing options.

### **Use of Evidence**

The NFBS Program was a program designed under the Victims of Crime Act. This program has been successful in transitioning over 400 victims into the rental housing market, while ensuring that the services needed are in place. This program has not been evaluated.

## **1C.3 Safe at Home Address Confidentiality Program**

The [Maryland Safe at Home Address Confidentiality Program \(ACP\)](#) is administered by the Office of the Secretary of State and provides an important service to victims of domestic violence and human trafficking. The goal of the ACP is to help those individuals, who have relocated or are about to relocate, to keep their perpetrators from finding them. Victim services professionals work with program participants to safely enroll. SLFRF helped to ensure continuity of the program during the pandemic. The program has two components:

First, the ACP provides a substitute address for victims who have moved or are about to move to a new location unknown to their abuser.

Second, the Program provides participants with a free confidential mail-forwarding service for first-class mail and legal papers.

Address confidentiality programs protect victims of domestic violence, human trafficking, stalking, and sexual assault by providing the victim with a substitute address to use as their legal residential, school, or work address to prevent abusers and traffickers from locating their victims.

Address confidentiality programs exist in most states. With the passage of Senate Bill 25 and House Bill 1056 during the 2006 legislative session, Maryland became the twentieth state to adopt an address confidentiality program. In 2014, the Maryland General Assembly passed Senate Bill 818 and House Bill 559 which expanded the program to victims of human trafficking.

## 1C.4 - VOCA Victim Services

The Governor's Office of Crime Prevention, Youth, and Victim Services is using SLFRF to provide funding to the [Victims of Crime Act \(VOCA\) program](#). The VOCA program works to improve the treatment of victims of crime by providing them with the assistance necessary to aid their restoration after criminal violence and support as they move through the justice process.

### Timeline

Program participants are eligible for reimbursement for medical care resulting from alleged rape sexual assault, or child sexual abuse. Funds are also used for Crisis Intervention Teams (CIT) to implement the crisis intervention model program, and to expand evidence-based practices in up to 14 jurisdictions to establish regional navigators to comply with the [Child Sex Trafficking Screening and Services Act of 2019](#). The Notice of Funding Availability (NOFA) for regional navigators was issued with a deadline of proposals due July 29, 2022. The timeline will vary for these three separate projects.

### Primary Delivery Mechanisms and Partners

Level of access for regional navigators are offered by eligible entities such as designated Child Advocacy Centers (CACs), Rape Crisis Centers and other community-based nonprofit organizations. Sexual reimbursement claims are maintained under confidentiality.

### Intended Outcomes

The purpose of regional navigators is to ensure that law enforcement agents and local Departments of Social Services can obtain needed services for a child who is a victim of sex trafficking in each of the 14 jurisdictions without a navigator.

### Performance

- Number of victims served.
- Number of victims who felt safer as a result of this program.
- Number of victims who felt more self-sufficient as a result of this program.
- Number of victims who felt more informed of the services available as a result of this program.
- Number of victims who felt more informed of their rights as a result of this program.
- Number of new human trafficking victims served.
- Number of human trafficking victims served.

## 1D – Prevention in Congregate Settings

Project ID	1D
Project Name	Prevention in Congregate Settings
Budget	\$164,000,000
Expenditure Category	1.4 - COVID-19 Mitigation and Prevention: Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, Child care facilities, etc.)

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
1D.1	Adult Day Care	\$15,000,000	\$14,641,156	More Than 90% Complete
1D.2	Heating, Ventilation, and Air Conditioning Upgrades for Public School Buildings	\$80,000,000	\$0	Not Started
1D.3	HSCRC - Hospitals	\$30,000,000	\$30,000,000	Completed
1D.4	Local Health Department Infrastructure Grants	\$4,000,000	\$664,431	Less Than 50% Complete
1D.5	Medicaid - Nursing Homes	\$25,000,000	\$24,492,583	More Than 90% Complete
1D.6	School Reopening Grants	\$10,000,000	\$5,536,532	More Than 50% Complete

### Project Description

This project provides support for COVID-19 Prevention in Congregate Settings, including for the following six (6) subprojects:

1D.1 - Adult Day Care

1D.2 - Heating, Ventilation, and Air Conditioning Upgrades for Public School Buildings

1D.3 - HSCRC - Hospitals

1D.4 - Local Health Department Infrastructure Grants

1D.5 - Medicaid - Nursing Homes

1D.6 - School Reopening Grants

## **1D.1 - Adult Day Care**

On January 3, 2022, the Maryland Department of Health (MDH) announced the allocation of \$15 million in emergency funding to address urgent operational needs of Adult Medical Day Care (AMDC) facilities in Maryland. Funds may be used to support AMDC operations in areas such as staffing expansions, procurement of supplies, and COVID-19 testing and therapeutics, as well as general operational expenses to continue providing health, social, and related support services to functionally disabled adults, ages 16 and older.

The intent of providing this funding to AMDC providers was to ensure that functionally disabled adults in the state continue to receive critical and necessary services and receive such services in a safe environment during the COVID-19 pandemic. All AMDCs in the state (Medicaid or non-Medicaid enrolled) were able to submit a letter of intent and participate in this opportunity if they met the eligibility criteria.

The grants have been awarded to 99 AMDC providers in the state. These AMDCs were to use the funds to stay operational during the COVID-19 pandemic. The awards were distributed based on license capacity of the AMDCs. MDH partnered internally with the Office of Health Care Quality (OHCQ) and externally with the Maryland Association of Adult Day Services (MAADS) to identify the organizations and to verify licensing information.

Grant funds are able to be used from the date of receipt (March 11, 2022 in most cases) through December 31, 2022. A preliminary report identifying expenditures to date was due on July 1, 2022. A final report is due on January 1, 2023 outlining expenses through December 31, 2022. Any unused funds are to be returned to MDH by February 1, 2023. The close of the grant period is February 28, 2023. Based on the grant agreement, there are no additional performance requirements imposed on the AMDCs to report to MDH.

## **1D.2 - Heating, Ventilation, and Air Conditioning Upgrades for Public School Buildings**

This subproject provides funding for heating, ventilation, and air conditioning upgrades for public school buildings to be allocated among school systems using the same criteria as the State of [Maryland's Healthy School Facility Fund \(HSFF\)](#). This includes projects that will improve the conditions related to air conditioning, heating, indoor air quality, and temperature regulation.

### **Intended Outcomes**

- Improved health and safety for students, faculty and staff in Maryland's K-12 public schools
- School environments that promote learning and lead to better educational outcomes for students
- Improved equity when comparing the maintenance needs of schools across all Maryland LEAs

The purpose of the Healthy School Facility Fund is to provide grants to public primary and secondary schools for capital projects that will improve the health of school facilities. This includes projects that will improve the conditions related to air conditioning, heating, indoor air quality, mold remediation (including pipe insulation to prevent condensation causing mold), temperature regulation, and plumbing (including the presence of lead in drinking water outlets in school buildings). Replacements and repairs to roofs and windows are also eligible for project funding. Grants will be prioritized to projects that correct issues posing an immediate life, safety, or health threat to occupants of a facility. Grants will be administered by the Interagency Commission on School Construction (IAC), an independent commission that functions within the Department of Education.

The HSFF received \$30,000,000 in funding in FY 2021, \$30,000,000 in FY 2022, and an additional \$40,000,000 from SLFRF.

The mission of the [Interagency Commission on School Construction](#) is to achieve a safe, healthy, and educationally sufficient learning environment for every child attending a public school in Maryland. The IAC's vision is a fiscally sustainable statewide portfolio of K-12 school facilities that will remain educationally sufficient for current and future generations of students and teachers.

By serving as a resource for best practices and as a statewide expert in facilities operations and management, the Commission supports Local Education Agencies of every size and in every unique situation, to meet the facilities needs of approximately 1,400 school facilities that serve close to 900,000 students in Maryland.

### **Project Activities**

The project will be implemented in accordance with Education Article §5-322, Annotated Code of Maryland, which requires the Interagency Commission on School Construction (IAC) to administer the HSFF, approve expenditures, and develop administrative procedures for the grant program.

The Administrative Procedures Guide (APG) provides all the details regarding implementation and administration of the program. A revised HSFF APG was adopted by the IAC at its meeting on August 12, 2021. The revisions to the current HSFF program are related to the Built to Learn Act of 2020 and statutory changes to ineligible projects/expenditures. The final APG is available on the IAC website at [mdschoolconstruction.org](https://mdschoolconstruction.org).

In accordance with Education Article § 5-322 (j)(iii), Baltimore City will receive at least 50% of funds appropriated to the fund in Fiscal Years 2021 through 2024 through a separate application process specifically for Baltimore City. The IAC distributes the available funds based on a competitive application process for the 23 other local educational agencies.



**Timeline for Fiscal Years 2022 and 2023**

FY22: 8/12/21	8/13/21 - 9/10/21	9/10/21 - 10/22/21	11/18/21	6/1/22	10/3/22	5/1/23
FY23: 7/12/22	7/9/22 - 7/26/22	7/26/22 - 9/8/22	10/14/22	6/1/23	10/3/23	5/1/24
Administrative Procedures Guide & Release of Schedule and Application Instructions	Application submission period end	IAC Staff review period	IAC approval of project allocations	All project funds to be encumbered	Deadline for funds to be substantially expended	Last day to submit requests for reimbursement

**Primary Delivery Mechanism and Partners**

The grants are provided to the 24 LEAs of the state, as these agencies have a list of the local priorities and individual school needs. The LEAs are the primary contracting agencies responsible for project procurement and completion. Additional consultation occurs with the Maryland Department of the Environment for projects that abate lead.

**Performance**

- Total projects and project costs
- Total schools and locations of schools
- Total school populations served by indoor health improvement projects
- Maintenance ratings for schools compared to 2021 baseline
- Assessment scores for English/Language Arts and Mathematics for Grades 4 through 8
- Four-year high school graduation rate (cohort rate)

**1D.3 - HSCRC - Hospitals**

This grant project included funding to address the urgent needs of Maryland’s hospitals for increased staffing, supplies, and COVID-19 testing and therapeutics. Grantees shall use the funds awarded to their facility for the following purposes:

1. Bolster staff at the Grantee’s facility.
2. Support increased testing for Grantee’s employees and visitors; to help minimize the spread of COVID-19 within the hospital and support the wellbeing of employees and patients.
3. Activities to increase COVID-19 vaccination (primary and booster series) rates of Grantee’s staff and patients to mitigate the spread of COVID-19 within the hospital and

to include education on COVID-19 vaccines, and costs associated with administering COVID-19 vaccines.

4. To provide financial support for the hospital's continued response to the COVID-19 pandemic including, the supply or access to costs associated to administer COVID-19 medical therapeutics, such as monoclonal antibodies or COVID-19 antiviral medications.

#### **1D.4 - Local Health Department Infrastructure Grants**

This grant project provides funding to Maryland's twenty-four (24) local health departments to strengthen the local infrastructure to address COVID-19 preparedness and response and to bolster the local public health workforce. Some of the allowable activities that can be conducted to support local health department infrastructure include:

- Making improvements to facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.
- Hiring personnel for roles that may range from senior leadership positions to early career or entry-level positions and to support key administrative functions.
- Making investments in current local health department employees: grow the workforce through training, professional development in leadership

The intended outcomes are to strengthen public health infrastructure, including the public health workforce.

Grant funds are awarded to local health departments through the standard Unified Funding Document (UFD) at the beginning of the state fiscal year. Approved work plans for state FY22, with an obligation of \$738,697, include following activities:

- Personnel salaries & benefits
- Personnel trainings
- Provision of health services via a mobile health clinic, to include vehicle purchase & maintenance
- Repair & maintenance of buildings and equipment
- Clinic upgrades
- Other administrative costs, including office supplies, computer equipment, software and indirect cost (no more than 10% of direct cost)

**Timeline**

3/9/2022	3/9/2022 to 6/15/2022	3/9/2022 to 7/15/2022	3/9/2022 to 6/30/2023
Awards were made to subrecipients	Application submission, review and approval for FY22 budget and work plans	Application submission, review and approval for FY23 budget and work plans	Project implementation and spending Project close-out, etc. to follow

**Use of Evidence**

Somerset County identified through their 2018-2019 Community Health Needs Assessment that poverty, low health literacy, transportation barriers, and lack of insurance coverage are the biggest barriers to healthcare access. The goal of their grant proposal is to improve health outcomes with a mobile wellness program that will allow reach to underserved areas by taking services such as COVID testing, vaccines, reproductive health services, prevention education, immunizations, referrals and linkage to care directly to the county residents.

The Charles County Department of Health Mobile Integrated Health (MIH) program offers patients the option of having a healthcare team — a nurse, paramedic, and community health worker — visit a patient’s home to ensure they reach wellness. The Charles County MIH program began bridging the gap of social determinants of health and delivering tailored healthcare to its target community in August 2017. Of the first 24 patients that met program criteria, the MIH program achieved a 74 percent reduction in emergency department visits and an 84 percent reduction in inpatient hospital admissions. The MIH team is empowering their patients’ independence through wellness and improved healthcare. In 2018, Governor Hogan awarded the Charles County MIH with a [Governor’s Citation for Excellence in Customer Service](#).

**Performance**

Performance measures for FY22 activities:

- Number of staff hired/retained with FY22 grant funding
- Number of accounting systems upgraded
- Number of disease investigations
- Number of Community Health activities/services provided
- Number of Community events held to offer and promote services
- Number of mobile vaccine clinics
- Number of vaccinations given
- Number of trainings provided to staff
- Conference opportunities provided to staff

## **1D.5 - Medicaid - Nursing Homes**

This subproject addresses urgent staffing needs and funding for activities to reduce the spread of COVID-19 in nursing homes. Funds were awarded to facilities for the following purposes only:

1. Stabilize and increase staff at the Grantee's facility, including but limited to recruitment costs, training costs, salaries and benefits related to backfilling lost positions and newly created positions, retention and bonus pay and HR support.
2. Support increased testing for Grantee's employees, residents, patients and visitors; to help minimize the spread of COVID-19 within the nursing home and support the wellbeing of employees, residents, and patients.
3. Activities to increase COVID-19 vaccination (primary and booster series) rates of Grantee's staff, residents, and patients to mitigate the spread of COVID-19 within the nursing home and to include education on COVID-19 vaccines, and costs associated with administering COVID-19 vaccines.
4. To provide financial support for the nursing home's continued response to the COVID-19 pandemic including, the supply or access to costs associated to administer COVID-19 medical therapeutics, such as monoclonal antibodies or COVID-19 antiviral medications.

## **1D.6 - School Reopening Grants**

The Reopening Schools project provided funds to local education agencies (LEAs) to ensure the safe reopening of schools for the 2021-2022 school year. The Maryland State Department of Education (MSDE) required LEAs to develop and submit a Reopening Plan during the 2020-2021 school year. Priority was provided to LEAs that had submitted a Reopening Plan.

Research has shown that in-person instruction is far more effective for students than virtual instruction. Safely reopening schools is in the best interest of all students, and most important for traditionally underserved communities.

LEAs used the grant funds for a variety of activities necessary to safely reopen and operate schools during the Pandemic. Examples of activities include:

- Purchase PPE, hand sanitizing stations, water bottles, air purifiers and replacement filters
- Musical instrument bell covers
- Summer interns to prepare student devices for deployment
- Additional custodians and supplemental cleaning services and supplies
- Additional school health staff to support testing, contact tracing

The funds were available in July 2021. The grants end on 12/30/2024.

The Reopening Schools Grant required an application, budget narrative and a link to the LEA's Reopening Plan. MSDE issues grants to LEAs. LEAs report expenditures on a monthly basis and MSDE reimburses the reported expenditures.

## 1E – Substance Use Providers

Project ID	1E
Project Name	Substance Use Providers
Budget	\$5,000,000
Expenditure Category	1.13 - Behavioral Health: Substance Use Services

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
1E.1	Recovery Now - Maryland Department of Health - Assistance 8-507 Providers	\$5,000,000	\$4,383,721	More Than 50% Complete

### Project Description

This project provided relief to court-ordered substance use residential treatment providers in financial jeopardy to ensure continuation of services and to support the increased demand for behavioral health services due to the pandemic. This was accomplished through an accelerated cost of living provider rate increase to cover additional supplies, personnel costs, and revenue shortfalls and additional funds for projected increased expenses.

Intended outcomes were to help health providers maintain their ability to serve the public.

The Maryland Department of Health worked with providers to distribute funds without delay. Seven applications were received in March 2021. Awards were processed by May 28, 2021.

Providers	Award Amounts
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
<b>Total</b>	<b>\$5,000,000</b>

## 1F – Vaccinations

Project ID	1F
Project Name	Vaccinations
Budget	\$1,044,700
Expenditure Category	1.1 - Mitigation and Prevention: COVID-19 Vaccination

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
1F.1	Vaccine Incentive - Legislature	\$44,700	\$44,700	Completed
1F.2	VaxU Scholarships	\$1,000,000	\$1,000,000	Completed

#### 1F.1 - Vaccine Incentive - Legislature

This project provided funding for a \$100 vaccine incentive to Judiciary and Legislative branch employees. The incentive was used to increase the number of state employees vaccinated for COVID-19. It was administered through payroll for employees that showed proof of vaccination.

#### 1F.2 - VaxU Scholarships

This project provided teenagers with a chance to win a \$50,000 scholarship to college for getting vaccinated. The promotion was designed to raise awareness and increase the number of Marylanders vaccinated for COVID-19.

Nine (9) statewide drawings offered vaccinated residents ages 12-17 a chance to win one of twenty (20) scholarship prizes. Winners received a scholarship in the form of a Prepaid College Trust or College Investment Plan from the [Maryland 529 college savings plan](#).

Individuals 12-17 who provided a Maryland address at the time of vaccinations and have received the COVID-19 vaccine were automatically entered into the promotion. The 20 winners of the \$50,000 VaxU Scholarship were selected between July 12, 2021 and September 6, 2021.

More information is available on the project's website - [VaxU Scholarship Promotion](#).

## Reducing Negative Economic Impacts Projects: Section Overview

Of the 90 SLFRF subprojects, approximately half of them are with Commerce Subcabinet agencies. Established in 2015, the Commerce Subcabinet is comprised of the:

- Department of Commerce
- Department of Transportation
- Department of Labor
- Department of the Environment
- Department of Housing and Community Development
- Department of Planning
- Governor’s Office of Small, Minority, and Women Business Affairs
- Maryland Higher Education Commission
- Department of Natural Resources
- Smart Growth
- Department of Assessments and Taxation



The Subcabinet advises the governor on proposals to enhance the state’s business climate; gathers information the Subcabinet considers necessary to promote its goals; collaborates to facilitate and expedite critical economic development projects in the state; and provides other assistance that may be required to further the goals of the state and enhance its business climate. This cross-agency collaboration was valuable to the timely, prioritized allocation of SLFRF.

## Reducing Negative Economic Impacts Outcome Measures

Outcomes measure economic recovery from the pandemic. Outcomes do not need to be entirely attributed to SLFRF projects, as many factors contribute to economic recovery. SLFRF is helping to move the needle. SLFRF has an impact on outcomes. How much of a relationship there is between SLFRF project activities and outcomes is open to interpretation. This report helps to serve that purpose. The following outcome measures are used for Reducing Negative Economic Impacts:

- Real Gross Domestic Product (GDP) by County and Industry
- Statewide Labor Force Participation Rate
- Statewide Unemployment Rate
- Jobs Created and Retained by County and Industry – Quarterly Census of Employment and Wages (QCEW)

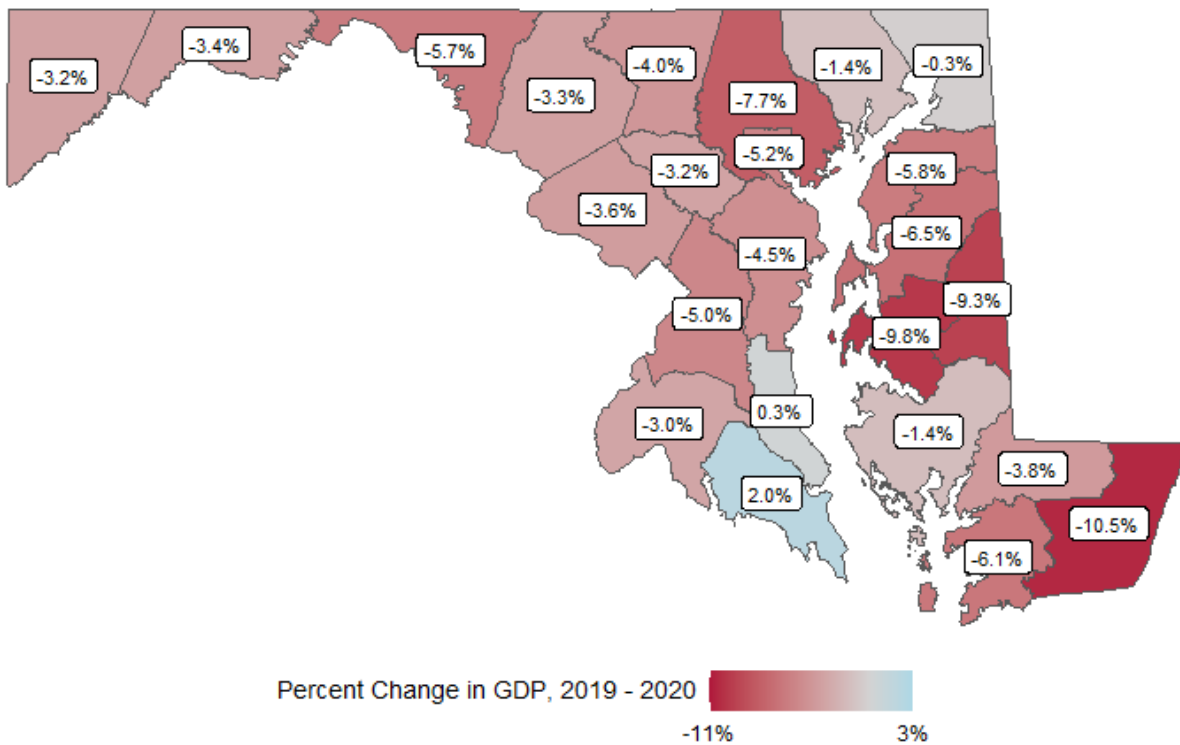
### **Real Gross Domestic Product (GDP)**

GDP by county is the value of goods and services produced by the county's economy less the value of goods and services used up in their production. It is the sub-state counterpart of the nation's GDP. It is the U.S. Bureau of Economic Analysis (BEA's) featured and most comprehensive measure of U.S. economic activity.

GDP by county statistics can be used by business and policymakers to identify the economic drivers in a county. The statistics also provide county officials and planners with important new information for allocating resources and designing new economic development strategies. GDP by county statistics can also help researchers study the industry composition of local economies and the long-term effects of development policies.

The map below shows the change in GDP by county between 2019 and 2020. GDP decreased in most of Maryland's 24 jurisdictions, although GDP did rise slightly in two counties. The next update will contain 2021 data. It is expected to be released in December 2022 and will provide valuable insight into how local economies are recovering.

*Percent Change in Real Gross Domestic Product (GDP), 2019 - 2020*



Source: U.S. Bureau of Economic Analysis

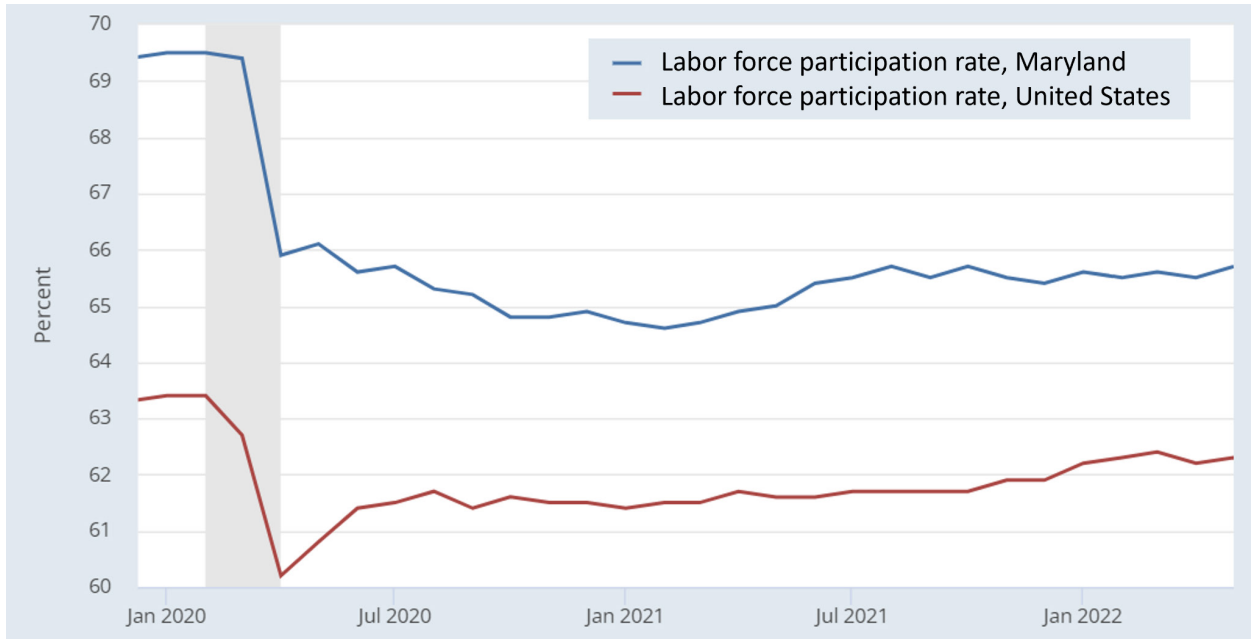
### **Labor Force Participation**

Marylanders are hard workers. The state boasts the 13th highest labor force participation rate in the country. Even at the height of pandemic shutdowns, Maryland had a higher percentage of its adult residents participating in the labor force than the current national average. In the past year, a robust job market and rewarding job opportunities have also drawn Marylanders back to the labor force at a rate exceeding the national one. As a result, Maryland is pulling even further ahead of the nation as measured by the percent of adults in the labor force. Note that labor force participation remains below pre-pandemic levels, both nationally and in Maryland.



Demographers and economists are beginning to find evidence that much of this drop is due to retirements from the labor force. The Maryland Department of Labor has commissioned a study, due for publication in 2023, to investigate changes and the long term prognosis for labor force participation in Maryland.

*Labor Force Participation Rate, Maryland and United States*



Source: U.S. Bureau of Labor Statistics

**Unemployment**

The unemployment rate is an imperfect, if important, measure of economic conditions through the pandemic period. Individuals are considered unemployed if they are without a job and actively looking for work.

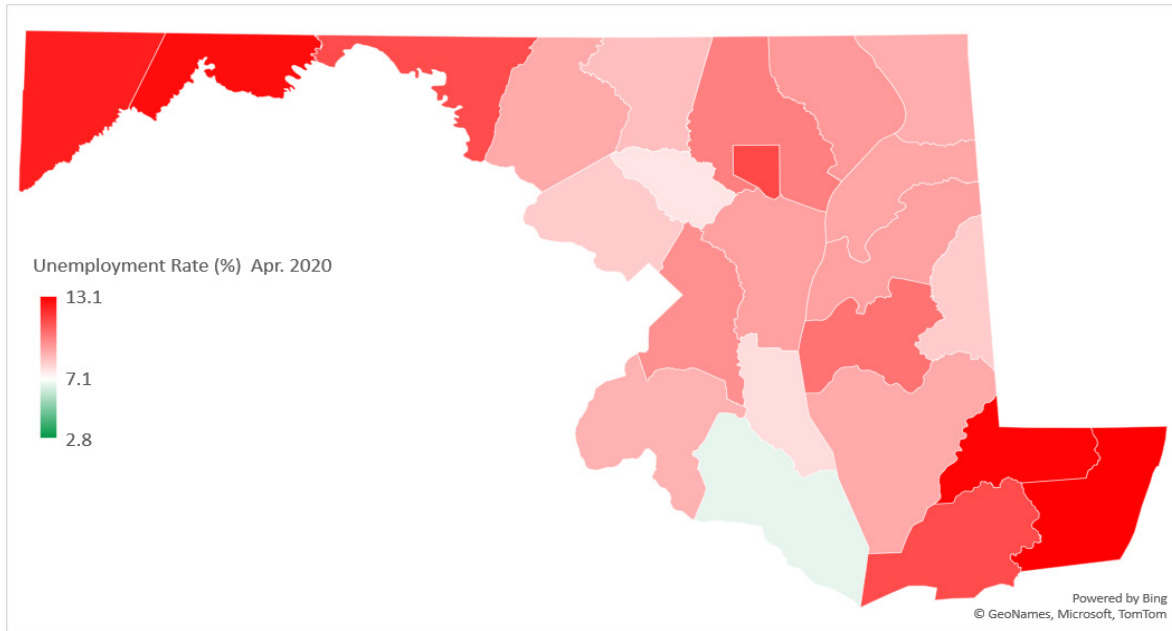
Unemployment in Maryland peaked in April 2020 at 9.5 percent - the highest level on record for Maryland since the data began being collected in 1976. Since then, the unemployment rate has steadily dropped and now sits at just 4.0 percent. This compares quite favorably with the average unemployment rate of the past 20 years, 5.3 percent. Unemployment has been above 4.0 percent in more than three quarters of months during that time. Despite the strong current state of the economy, the state is committed to helping all individuals find meaningful employment, if they desire.

Below are two maps of county unemployment rates. Both share the same color scale. Darker red represents relatively higher unemployment rates, while darker green shades represent lower unemployment rates. Recessions in the past 40 years have reached an average peak unemployment rate of 7.1 percent. This level of unemployment is shaded white.

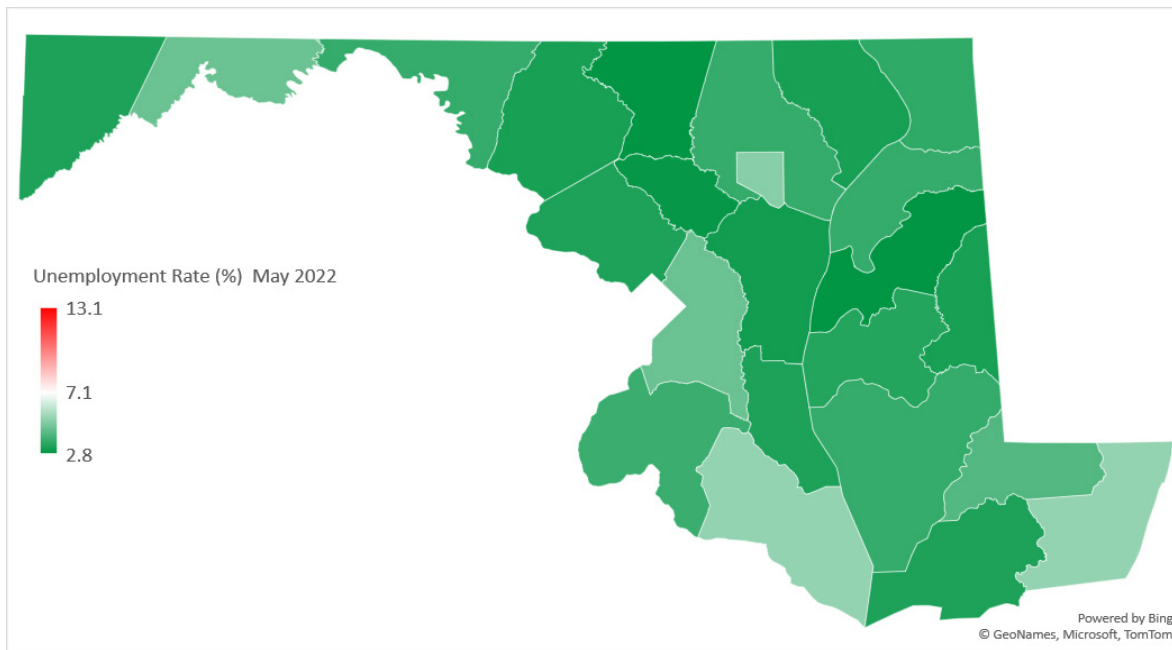
## State of Maryland

The first map shows the unemployment rate in April 2020, when most counties hit their highest level of unemployment. All but one county saw unemployment rates worse than the average recession from the past 40 years. The second map shows unemployment as of May 2022. All counties have reduced their unemployment rate. Furthermore, all counties matched or improved on the long term statewide average unemployment rate of 5.3 percent.

*Unemployment rate (%) - April 2020*



*Unemployment rate (%) - May 2022*



As indicated by the labor force participation rate discussion above, many individuals either chose or were unable to work during the pandemic. As they were not actively looking for work, they were therefore not considered unemployed. As a result, the unemployment rate both understates the severity of the impact on Marylanders, and the degree of economic recovery for these working age individuals. Similarly, the state's current unemployment rate may be tricky to interpret given the unique economic climate. While it is relatively higher than the national average, this rate combined with the underlying trend in Maryland's labor force participation rate indicates that the economic recovery, a hot labor market and high wages are drawing people back to work at a rate exceeding the national average.

### **Jobs Created and Retained by County and Industry**

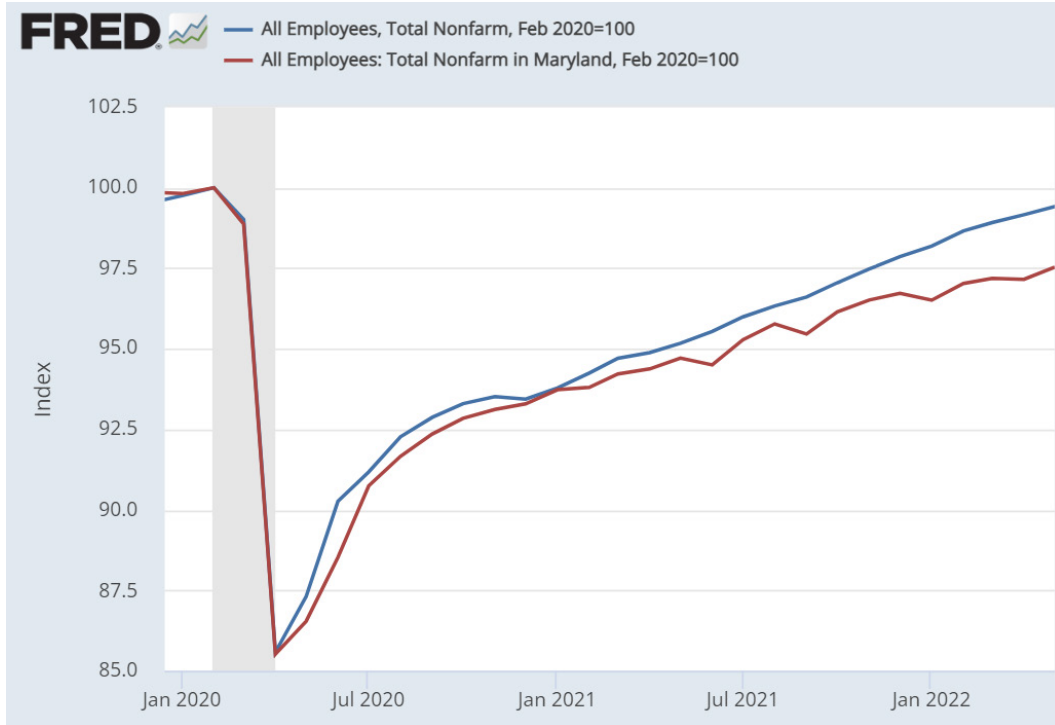
There are multiple sources for analyzing jobs created and retained in Maryland. For example, the U.S. Bureau of Labor Statistics (BLS) publishes the monthly Current Employment Statistics (CES) at the statewide level. Private industry, for example payroll company ADP, also provides statistics on jobs created and retained more frequently and at a more granular level down to zip codes and industries.

For this report, we use the Quarterly Census of Employment and Wages (QCEW). It is one of Maryland's best economic indicators, as it includes all jobs covered by Unemployment Insurance, and is considered the gold standard for accuracy. Published by the U.S. Bureau of Labor Statistics, it is the most granular jobs data released by BLS and shows data down to the workforce region by industry. Due to its comprehensive scope, QCEW data is updated through the end of 2021, as of this writing (July 2022). Data for 2022 will begin to come out later this year. More recent statewide data for 2022 is taken from Current Employment Statistics, a complementary product produced by the BLS in conjunction with the Maryland Department of Labor.

A quick and decisive response by the state at the beginning of the pandemic led to 86 percent of jobs being retained through the low point of the accompanying recession. This matches the national rate of job retention, despite the robust steps taken statewide to combat the early spread of COVID-19.

Through May 2022, Maryland has regained or added 334,200 jobs from the pandemic low in April 2020, representing a net recovery of 83 percent of jobs lost. In 2020, many companies continued to shed jobs even as the broader economy began to make a comeback, so these broad figures likely underestimate the true degree of recovery experienced in Maryland.

*Employment Index, United States and Maryland (February 2020 = 100)*

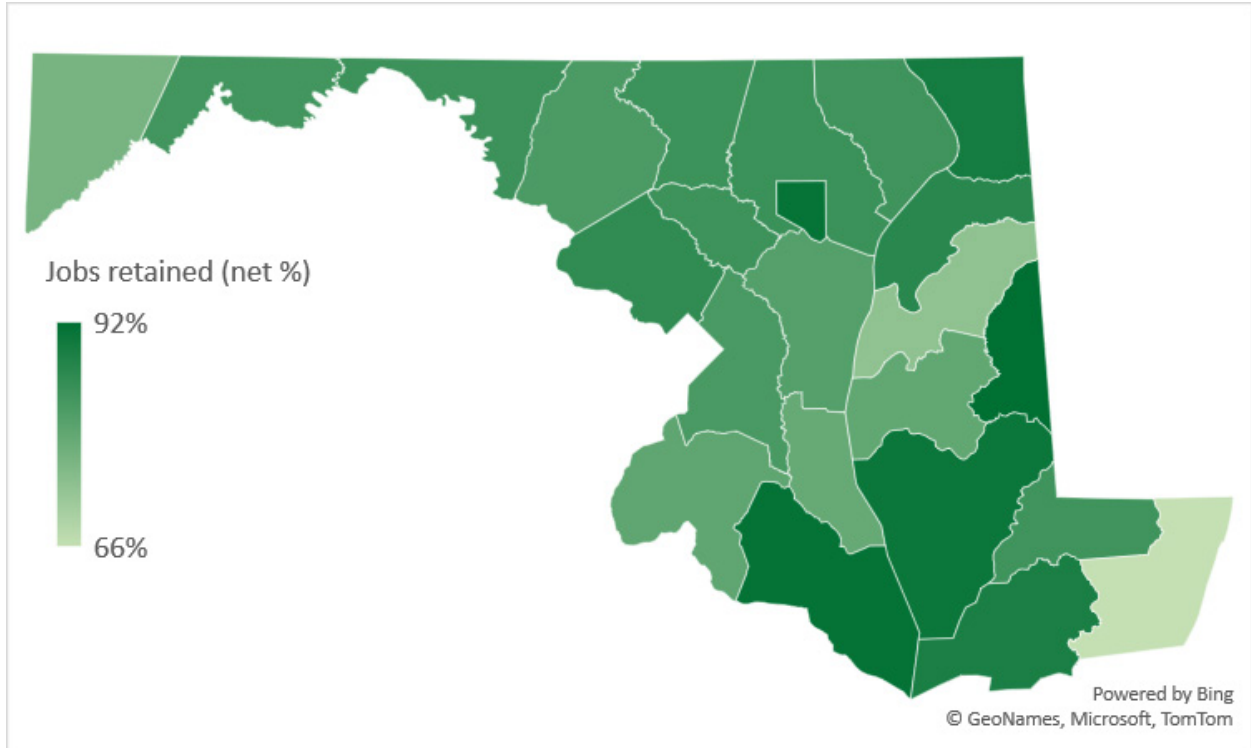


The map below shows job retention rates by county using February 2020 as the baseline, and April 2020 as the low point of the pandemic-driven job losses. Job retention in Maryland counties varied from 66 percent to 92 percent.

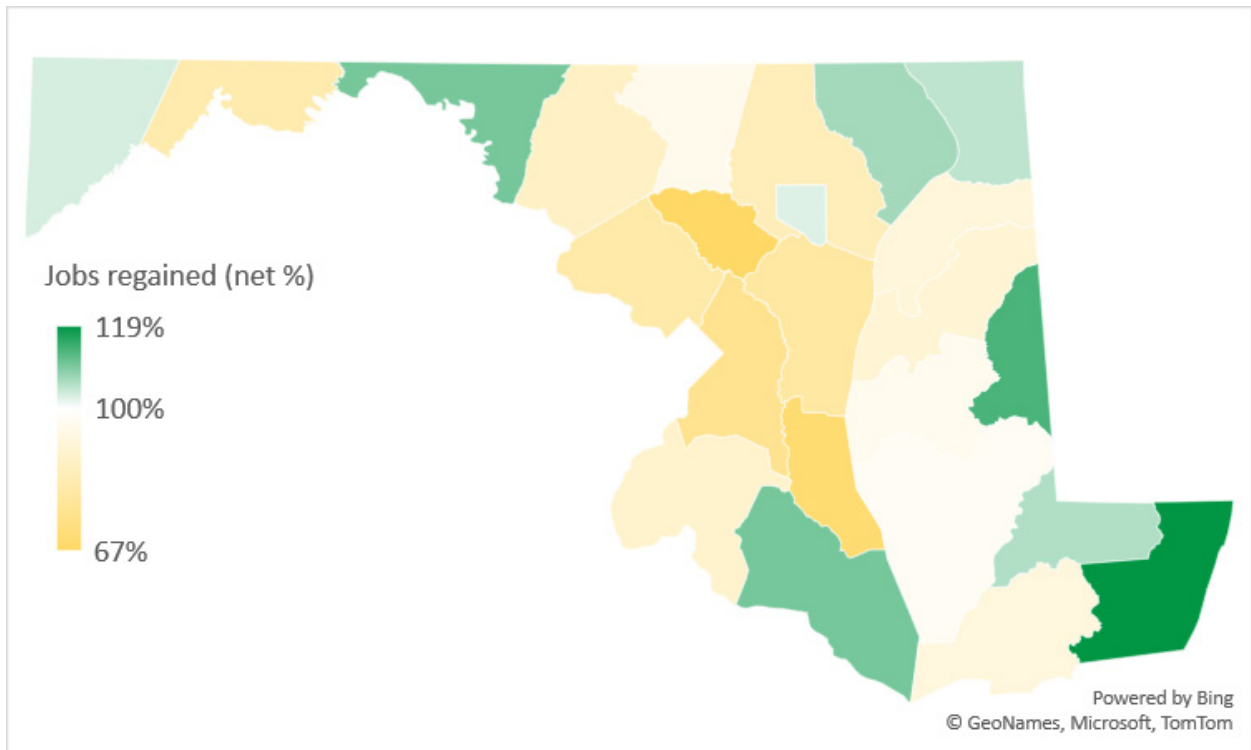
The following map shows job recovery, as a percent of jobs lost at the start of the pandemic. By the end of 2021, 9 counties have already recovered, on net, all jobs lost during the onset of the pandemic. Job retention and job recovery appear to not be meaningfully correlated - some of the most resilient counties have seen the strongest rebounds, while others are still recovering. However, all counties have recovered at least two thirds of the jobs lost, and in under two years. In comparison, the economic recovery following the 2008 recession took more than 5 years to reach a similar level of progress. Support from federal dollars and local area efforts from 2020 onwards almost certainly played a major role in the much faster recovery.

State of Maryland

*Job Retention by County, February 2020 - April 2020 (net percent)*

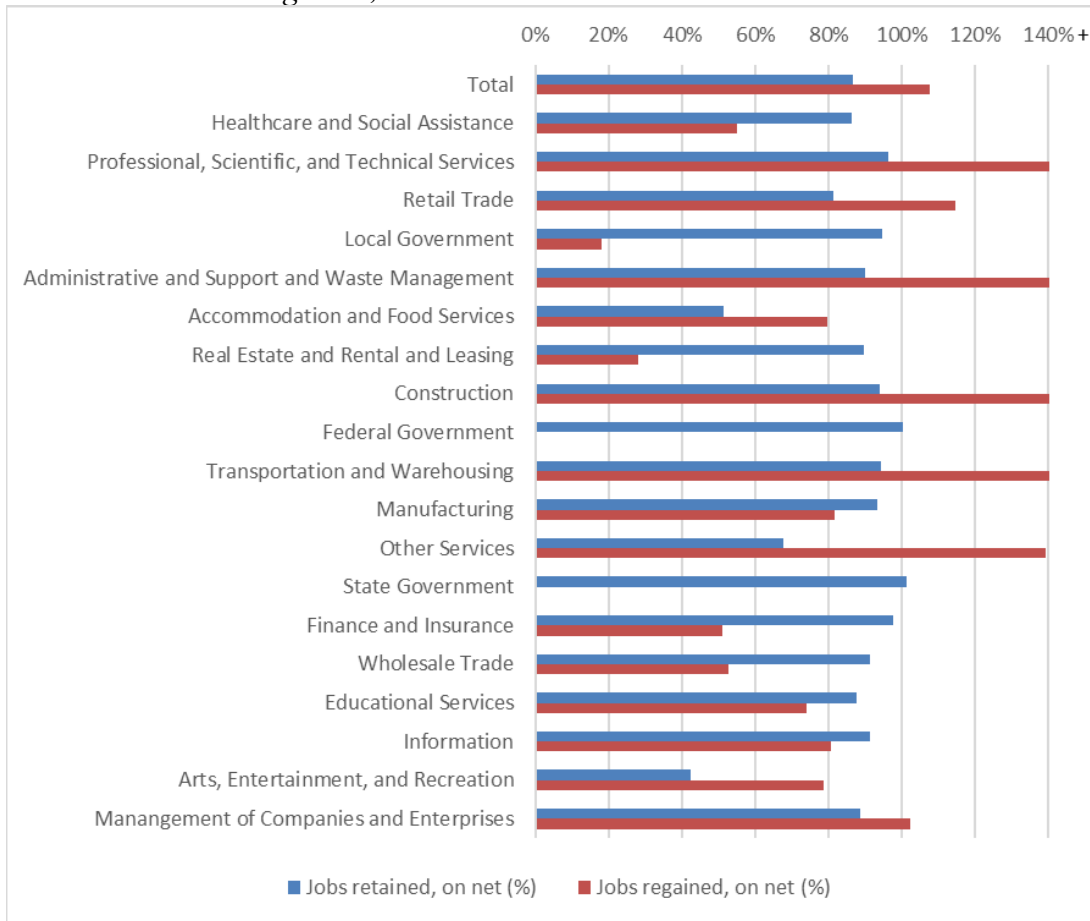


*Jobs Regained by County, April 2020 - December 2021 (net percent)*



Looking at industry employment data tells a similar story - Significant strides have been made across the board despite significant setbacks in 2020. The chart below looks at the same jobs retained and jobs regained metrics described above. Jobs retained measures what percentage of jobs remained on payroll in April 2020, compared to February 2020. Higher numbers indicate that fewer jobs were lost. Jobs regained looks at what percent of jobs lost between February and April 2020 were regained by December 2021. Numbers above 100% indicate that, on net, all jobs lost in that industry have since been recovered. Of the major industries tracked, 8 have regained more jobs than they lost at the start of the pandemic. Four industries regained more than 140% of jobs lost. In the chart below, the bars for these industries have been truncated.

*Jobs Retained and Regained, on net*



The Maryland Department of Labor has been tracking more detailed recovery measures by industry within each county, and has promoted the availability of this analysis to workforce partners and the general public to help inform recovery efforts. Analysis through the end of 2020 is available at the [publications page](#) on the Maryland Workforce Exchange in the Annual Economic Reports section. A similar analysis, looking at employment metrics through the end of 2021, will be made available at the same URL by October 3, 2022.

Next, let us examine each project.

2A – Business Assistance to Industry: Hospitality and Entertainment

Project ID	2A
Project Name	Business Assistance: Entertainment and Hospitality
Budget	\$42,969,587
Expenditure Category	2.35 - Aid to Impacted Industries: Aid to Tourism, Travel, or Hospitality

**Financial Summary**

ID	Subproject Name	Budget	Expenditures	Status
2A.1	Recovery Now - Department of Commerce - Hotel, Motel, and Bed and Breakfast Grants	\$9,969,589	\$9,969,589	Completed
2A.2	Recovery Now - Department of Commerce - Restaurant Grants	\$22,000,000	\$22,000,000	Completed
2A.3	Recovery Now - Department of Commerce - Small Business Marketing Grants	\$999,998	\$999,998	Completed
2A.4	Recovery Now - Live Performance	\$10,000,000	\$10,000,000	Completed

**Project Description**

This project provided financial aid to tourism, travel, and hospitality industries because they have been severely impacted by the pandemic. This project contains the following four (4) subprojects:

- 2A.1 - Recovery Now - Commerce - Hotel, Motel, and Bed and Breakfast Grants
- 2A.2 - Recovery Now - Commerce - Restaurant Grants
- 2A.3 - Recovery Now - Commerce - Small Business Marketing Grants
- 2A.4 - Recovery Now - Live Performance

**Equity Related Activities**

Prior to accepting applications, Commerce developed a marketing and outreach strategy to spread the word about the new funding as broadly as possible so that businesses from across the state were ready to apply when the applications were made available. These outreach activities included not only our 30,000 newsletter subscribers, but outreach to every legislator, nonprofit groups, churches, chambers of commerce, minority chambers of commerce, various associations, etc.

## **Equity Related Awareness, Access, and Distribution**

There were no administrative requirements that would have resulted in disparities in the ability to complete applications or meet eligibility requirements. We had staff readily available to answer questions.

### **2A.1 - Recovery Now - Department of Commerce - Hotel, Motel, and Bed and Breakfast Grants**

To support Maryland hotel, lodging, and accommodation businesses facing continued financial impacts from the novel coronavirus, the state established through bipartisan legislation the Maryland Lodging and Accommodations COVID-19 Relief Grant Program. Commerce provided \$10 million to the local jurisdictions through the Maryland Economic Development Assistance Authority and Fund (MEDAAF) for lodging and accommodation businesses in their areas. The purpose of the program was to enable the local jurisdictions to make grants to eligible accommodations within the jurisdiction to promote and encourage stabilization within the hospitality industry.

Applications were made available through each county and Baltimore City for up to \$25,000 to hotels and motels (except casino hotels) or bed-and-breakfast inns categorized as North American Industrial Classification Codes 721110 and 721191, respectively. If the establishment was part of a multiple-location franchise, it was required to be owned by a local franchisee.

Recipient businesses were required to demonstrate a need for assistance, with priority given to businesses that had not received prior funding through MEDAAF.

#### **Intended Outcomes**

- Stabilize industries most negatively impacted by the pandemic and enable businesses to continue operations.
- Retain jobs in Maryland's hospitality industry.

#### **Timeline**

Commerce sent out grant agreements to the jurisdictions on March 24, 2021. By May 28, 2021, all jurisdictions had signed and returned their grant agreements. The counties were required to update Commerce's online portal with grant recipient information by July 31, 2021, to include the following:

- Name, location, and FEIN of each grantee;
- Amount of grant received by grantee;
- Use of grant proceeds; and
- Demographic information responses of each grantee.



**Performance**

*Hotel, Lodging, and Accommodations COVID-19 RELIEF Program Grants*

<b>Demographic Group</b>	<b># of Grantees</b>	<b>Percent</b>
White	172	41%
Asian	214	52%
Black or African American	21	5%
Of Hispanic or Latino Origin	2	0.5%
American Indian or Alaska Native	0	
Native Hawaiian or Other Pacific Islander	0	
Any Minority Group	232	56%
Female	94	23%
Veteran	8	2%
Did Not Answer in Application or Survey	477	

A comparison of business demographics in Maryland to all grant recipients shows they were more likely to be female-owned, minority-owned, Hispanic-owned, or veteran-owned.

*Accommodations and Food Services COVID-19 RELIEF Program Grants*

<b>Ownership</b>	<b>Total Employers in 2018</b>	<b>Percentage</b>	<b>RELIEF Act Recipients 2021</b>	<b>Percentage</b>
Total Firms	9,703		3,925	
Classifiable Respondents	9,463		2,091	
Female-Owned	2,122	22%	756	36%
Hispanic-Owned*	517	6%	251	12%
Minority-Owned*	3,582	38%	1,159	55%
Veteran-Owned**	47	0.50%	187	9%

Source: U. S. Census Bureau, Annual Business Survey; released in 2020 and for the 2018 time period. Data combines hotels and restaurants into “Accommodation and Food Services.”

\* Hispanic, minority, and veteran ownership are calculated and may include ownership firms that are co-owned with others by people in those categories.

\*\* More businesses self-reported as being veteran-owned to Commerce, than what was reported to the U.S. Census Bureau in 2018. Demographics data are self-reported on the grant application.

## **2A.2 - Recovery Now - Department of Commerce - Restaurant Grants**

To support Maryland restaurants facing continued financial impacts from the novel coronavirus, the state established through bipartisan legislation the Maryland Restaurants and Caterers COVID-19 Relief Grant Program. Commerce provided \$22 million through the Maryland Economic Development Assistance Authority and Fund (MEDAAF) to the local jurisdictions to provide relief to restaurants in their areas, with a portion set aside for economically disadvantaged establishments.

Applications were made available through each county and Baltimore City for up to \$12,000 to accommodations providers that were primarily engaged in activities that, in accordance with the North American Industrial Classification System, would be included in Code 722320 (Caterers), Code 7224 (Drinking Places (Alcoholic Beverages)), or Code 7225 (Restaurants and Other Eating Places), be in good standing with the State Department of Assessments and Taxation (SDAT) and demonstrate a need for assistance. Priority was given to businesses that had not received prior funding from MEDAAF.

### **Primary Delivery Mechanisms and Partners**

The Maryland Economic Development Assistance Authority and Fund (MEDAAF) provides funding to local governments for grants up to \$12,000 to qualified applicants. The target was that at least 15% of the amount should be distributed to disadvantaged businesses. Priority was to be given to businesses that have not received prior funding from the MEDAAF.

### **Intended Outcomes**

Stabilize industries most negatively impacted by the pandemic and enable businesses to continue operations.

Retain jobs in Maryland's hospitality industries.

### **Timeline**

Commerce sent out grant agreements to the jurisdictions on March 24, 2021. By May 28, 2021, all counties had signed and returned their grant agreements.

**Performance**

*Restaurants and Caterers COVID-19 RELIEF Program Grants*

<b>Demographic Group</b>	<b># of Grantees</b>	<b>Percentage</b>
White	760	45%
Asian	494	29%
Black or African American	254	15%
Of Hispanic or Latino Origin	249	15%
American Indian or Alaska Native	118	7%
Native Hawaiian or Other Pacific Islander	116	7%
Any Minority Group	920	55%
Female	662	39%
Veteran	179	17%
Did Not Answer	1357	N/A
Economically Disadvantaged	1697	56% of Total Grants

A comparison of business demographics in Maryland to all grant recipients shows they were more likely to be female-owned, minority-owned, Hispanic-owned, or veteran-owned.

*Accommodations and Food Services Grants*

<b>Ownership</b>	<b>Total Employers in 2018</b>	<b>Percentage</b>	<b>RELIEF Act Recipients 2021</b>	<b>Percentage</b>
Total Firms	9,703		3,925	
Classifiable Respondents	9,463		2,091	
Female-Owned	2,122	22%	756	36%
Hispanic-Owned*	517	6%	251	12%
Minority-Owned*	3,582	38%	1,159	55%
Veteran-Owned**	47	0.5%	187	9%

Source: U. S. Census Bureau, Annual Business Survey; released in 2020 and for the 2018 time period. Data combines hotels and restaurants into “Accommodation and Food Services.”

### **2A.3 - Recovery Now - Department of Commerce - Small Business Marketing Grants**

Provided investments in tourism marketing for Maryland small businesses (\$1 million).

The Maryland Tourism Development Board, in the Department of Commerce, used SLFRF to market Maryland small businesses for tourism. Destination Marketing Organizations (DMO) in each county, Baltimore City and Ocean City received grant agreements on March 22, 2021. As of May 14, 2021, all had signed and returned their agreements and Commerce had distributed all funds.

This program provided grants to advance the economic recovery and resiliency of communities where the travel, tourism, and outdoor recreation industries were hardest hit by the COVID-19 pandemic. The 25 officially recognized DMOs were awarded funds so that they can invest in inviting residents and visitors back to restaurants, entertainment venues, wineries, breweries, attractions, shops, and services in communities across the state. This was specifically focused on opportunities where the industry benefits from visitor spending, including events designed to encourage overnight travel and events surrounding hospitality training and workforce development.

#### [Small Business Marketing Grants by County](#)

### **2A.4 - Recovery Now - Live Performance**

The Department of Housing and Community Development (DHCD) administered over \$45 million in funding for the [Governor's Maryland Strong Economic Recovery Initiative](#). These funds supported the state's nonprofit tourism organizations, entertainment venues, and businesses in the state's designated Main Street Maryland communities and Baltimore City's designated Main Street neighborhoods.

\$10,000,000 in SLFRF provided grants to live entertainment venues or promoters of live performances. Grants were prioritized to those who closed or canceled live performances due to capacity limitations in response to the pandemic.

“As we continue to move forward in our recovery, I am proud to announce more support for these entertainment businesses and venues as part of our Maryland Strong Economic Recovery Initiative,” said Governor Hogan. “These awards protect jobs and preserve important cultural institutions in Maryland communities ready to get back to normal.”

Applications were accepted from nonprofit and for-profit live entertainment venues and promoters of live performances. Seventy applications were submitted, requesting \$22,643,269. DHCD made 63 awards based on the criteria defined in Recovery Now. On June 16, 2021, [Governor Hogan announced the awards](#). All payments were processed by June 30, 2021.

#### [Approved Grants by County](#)

## 2B – Business Assistance to Impacted Industries

Project ID	2B
Project Name	Business Assistance to Impacted Industries
Budget	\$11,500,000
Expenditure Category	2.36 - Aid to Impacted Industries: Aid to Other Impacted Industries

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
2B.1	Recovery Now - Department of Commerce - Local Commuter Bus Assistance Grants	\$8,000,000	\$8,000,000	Completed
2B.2	Recovery Now - MARBIDCO - Rural and Agricultural business grants	\$2,000,000	\$2,000,000	Completed
2B.3	Rural and Agricultural Business Grants	\$1,500,000	\$982,580	More Than 50% Complete

### Project Description

This project provided financial assistance to businesses in other industries that were negatively impacted by the pandemic. There are three (3) subprojects:

2B.1 - Recovery Now - Commerce - Local Commuter Bus Assistance Grants

2B.2 - Recovery Now - MARBIDCO - Rural and Agricultural Business Grants

2B.3 - Rural and Agricultural Business Grants

### Intended Outcomes

- Stabilization and continued operation of commuter and shuttle buses so that Marylanders have needed transportation services
- Stabilization of agricultural and rural businesses throughout the state
- Increased utilization of food benefit programs at Maryland farmers markets

## 2B.1 - Recovery Now - Commerce - Local Commuter Bus Assistance Grants

Private commuter and shuttle bus operators were negatively impacted by a reduction in service by the Maryland Transit Administration during the pandemic. These operators are essential to provide transit services to residents who rely on them to get to work, school, health care facilities, and more. Grant awards were provided to address revenue shortfalls; ensuring these operators did not shut down permanently and could continue to serve the Maryland neighborhoods that rely on them. Private commuter and shuttle buses are often utilized by Maryland’s vulnerable populations, including those who cannot afford personal vehicles for their families, people with disabilities, and the elderly population.

In collaboration with the Maryland Transit Administration, the Department of Commerce sent grant agreements to the six (6) eligible local bus operators on March 22, 2021. By April 14, 2021, all six had signed their grant agreements. By May 12, 2021, Commerce distributed all \$8,000,000 to the companies.

### Local Commuter Bus Assistance, Maryland Economic Development Assistance Authority, Department of Commerce

#### Grant Agreements Signed and Funding Distributed, as of May 12, 2021

Contractor	Percentage of Total Funding	Funding	Returned Grant Agreements, as of April 14?	Funding Distributed, as of May 12?
Academy Express, LLC	24.3%	\$1,940,000	Yes	Yes
Atlantic Coast Charters	9.0%	\$718,400	Yes	Yes
Dillon’s Bus Service	24.6%	\$1,965,600	Yes	Yes
Eyre Bus Service	1.6%	\$125,600	Yes	Yes
Keller Transportation	17.6%	\$1,411,200	Yes	Yes
Martz/ Gold Line	23.0%	\$1,839,200	Yes	Yes
<b>Total</b>	<b>100.0%</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>

## 2B.2 - Recovery Now - MARBIDCO - Rural and Agricultural Business Grants

This project supports the recovery of Maryland's rural and agricultural businesses with \$2 million in SLFRF for targeted grant programs administered by the [Maryland Agricultural and Resource-Based Industry Development Corporation \(MARBIDCO\)](#).

MARBIDCO established six distinct grant programs to provide immediate pandemic adjustment and economic development assistance to agricultural and rural businesses in Maryland. Grant application deadlines were on April 1, 2021 and May 15, 2021. Funds were distributed by June 30, 2021:

- **Maryland Shellfish Aquaculture Relief Grants** - provides grants of up to \$2,000 to Maryland Shellfish Aquaculture leaseholders (oyster farmers) that hold one or more leases from the Department of Natural Resources (DNR) to help with spring production costs. Oyster farmers experienced significant revenue losses during the pandemic and are required by law to maintain certain production on their leases.
  - Application deadline was May 15, 2021.
  - MARBIDCO received 94 applications. Ninety-two applicants qualified for \$138,500.
  
- **Maryland Urban Farmer Relief Grants** - provides grants of \$500 to urban farmers to help with spring production costs. Urban farmers must be located in urban areas and have had at least \$1,000 in annual agricultural product sales.
  - Application deadline was May 15, 2021.
  - MARBIDCO received 19 applications requesting \$9,500.
  - MARBIDCO approved 11 applications for \$5,500.
  
- **Local Food Cold Storage Relief Grant Program** - provides up to a 50 percent matching grant up to \$15,000 to farmers and watermen to assist with costs related to the purchase and installation of cold storage equipment. Many farmers adjusting operations during the pandemic have needed cold storage facilities to better serve new or existing markets.
  - The application deadline for Round 1 was April 1, 2021.
  - MARBIDCO received 100 applications requesting \$955,853 of grant funds.
  - MARBIDCO approved 78 applications totaling \$372,321. However, five have withdrawn their applications due to being approved for less grant funding than expected for their projects. Currently, MARBIDCO has 73 approved Cold storage grantees with grants totaling \$347,708.

- **Maryland Livestock Processing Relief Grant Program** - provides up to a 75 percent matching grant up to \$100,000 for USDA-inspected meat processing facilities and \$70,000 for custom processing or mobile processing projects. Grant funds can be used to purchase livestock processing equipment and/or upgrade facilities to help expand production capacity in Maryland and help reduce the processing backlog that occurred during the pandemic.
  - The application deadline for Round 1 was April 1, 2021.
  - MARBIDCO received 24 applications requesting \$1,255,554 of grant funds.
  - MARBIDCO approved 24 applications totaling \$615,958 of grant funds.
  
- **Maryland Wood Products Industry Equity Incentive Relief Fund** - provides grants of 20% to 33% of a project's cost (with 25% as a target) up to \$225,000, with the aim to help forest harvesters and wood fiber processors to purchase new equipment or construct facilities to increase the utilization and production of wood products in Maryland. The program will provide much needed assistance to a struggling Maryland forestry industry that has been affected by recent mill closures and the loss of wood fiber markets.
  - The application deadline for Round 1 was April 1, 2021.
  - MARBIDCO received 21 applications requesting \$1,894,594 of grant funds.
  - MARBIDCO approved 21 applications totaling \$749,951 of grant funds.
  
- **Maryland Market Money Program** – provides grant funding to the Maryland Market Money Program that offers benefits to food insecure Marylanders. Those eligible for Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Supplemental Nutrition Assistance Program (SNAP), and the Farmers Market Nutrition Program (FMNP) may use those benefits at farmers markets to purchase fresh food directly from local farmers. These grant funds will be used during the spring farmers' market season at various markets located around the state.

Since it was established in 2004, MARBIDCO has offered assistance to qualifying farms and rural businesses in securing affordable capital and credit for equipment, commercial facilities, real estate purchases (often by partnering with commercial lenders) and assists with rural working land preservation (by serving as a financial intermediary for state and local land conservation organizations). As a result, MARBIDCO was well suited to market the grant programs to rural and agricultural organizations, as well as individual farms and businesses throughout the state. Some of these partners included the Rural Maryland Council and the Southern Maryland Agricultural Development Commission (SMADC). SMADC manages the Maryland Market Money program at farmers markets across the state.



**Use of Evidence**

The pandemic disproportionately impacted low-income families, and there was a marked increase in demand for Supplemental Nutrition Assistance Program (SNAP) benefits. The United States Department of Agriculture (USDA) has recognized this need by enacting emergency increases in its food assistance programs.<sup>15</sup>

**Performance**

- Number of businesses provided financial relief grants, including name, industry, award amount, location, FEIN, zip code, demographic information
- Breakdown of use of grants
- [MARBIDCO Grant Awards by County, Zip Code, Program Name and Business Type](#)

*MARBIDCO Grant Summary, as of June 25, 2021*

Description	Amount Awarded
Disadvantaged	\$253,396
Not Disadvantaged	\$842,575
Error in Zip Code	\$5,500
Total	\$1,101,472
Percent Disadvantaged	23%*

\*Calculated using the MMCC definition described in Appendix B.

<sup>15</sup> <https://www.marylandmatters.org/2020/10/23/hundreds-of-thousands-more-marylanders-turned-to-snap-benefits-to-eat-during-pandemic/>

## **2B.3 - Rural and Agricultural Business Grants**

This project provided \$1,500,000 to support the recovery of Maryland’s rural and agricultural businesses through targeted grant programs administered by the Technology Development, Transfer, and Commercialization program in the [Maryland Technology Development Corporation \(TEDCO\)](#).

Leading innovation to market. TEDCO provides funding, resources, and connections that early-stage technology and life sciences companies need to thrive in Maryland.

[TEDCO's Agriculture and Rural Rebuild \(ARR\) Challenge](#) provides grants up to \$200,000 per project to assist Maryland’s rural and agricultural businesses that have been detrimentally impacted by the COVID-19 pandemic and associated economic downturn. These grants will fund technology-based projects that help Maryland’s rural and agricultural businesses recover, rebuild and pivot from the COVID crisis.

The Challenge specifically encourages the increased collaboration between rural businesses, research institutions and industry partners. The overall goal is to leverage technology to develop forward-looking solutions to current issues faced by these communities that will help the agtech and other rural industry sectors better weather future economic crises. Examples of a successful project may include, but are not limited to, the development of an innovative product or a novel application of an existing technology to help a business pivot or recover from the current COVID crisis.

TEDCO opened the grant application in March 2021 with a deadline of April 30, 2021. Based on the level of interest in the program, TEDCO extended the deadline for proposals until May 14, 2021, and received 31 applications. TEDCO selected grant recipients and distributed awards by June 30, 2021.

### **Community Engagement**

TEDCO’s mission is to enhance economic empowerment by fostering an inclusive and entrepreneurial innovation ecosystem. Its vision is to identify, invest in, and help grow the technology companies in Maryland. Examples of community engagement include TEDCO’s Annual Entrepreneur Expo that draws over 1000 attendees, and through its social media outreach, including the [TEDCO Talks YouTube channel](#).

### **Performance**

[Demographic Information for Agriculture and Rural Rebuild \(ARR\) Program Applications](#)

## 2C – Small Business

Project ID	2C
Project Name	Small Business
Budget	\$70,000,500
Expenditure Category	2.29 - Assistance to Small Businesses: Loans or Grants to Mitigate Financial Hardship

### Financial Summary

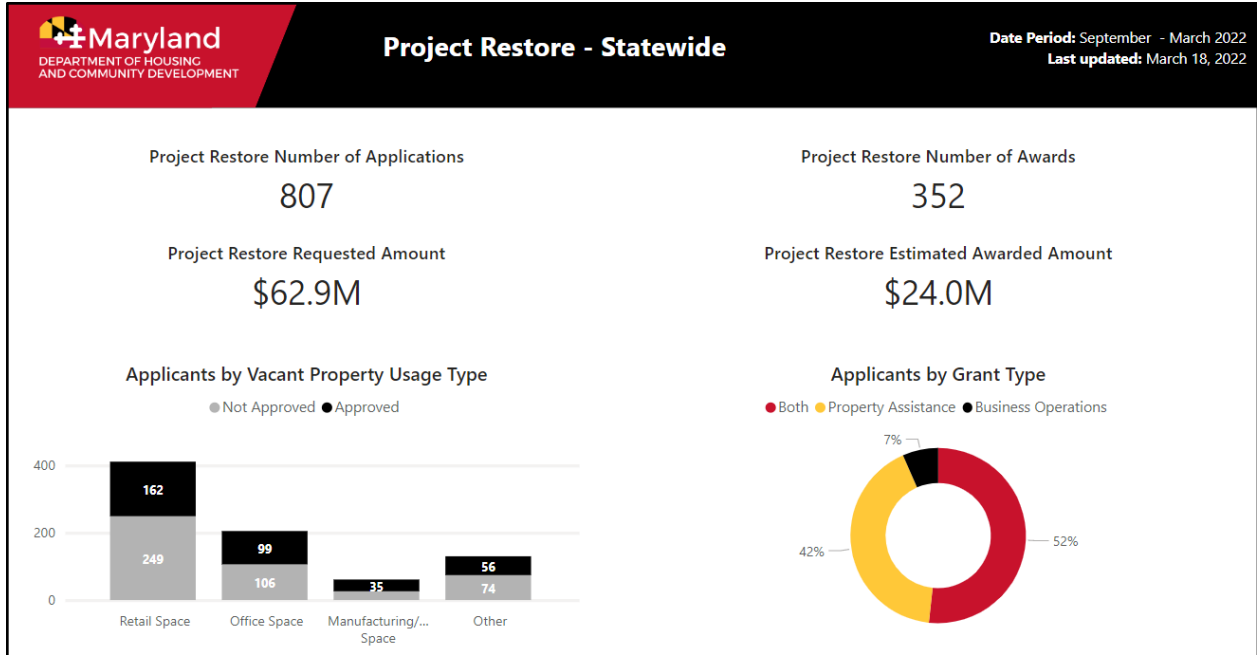
ID	Subproject Name	Budget	Expenditures	Status
2C.1	Project Restore	\$50,000,000	\$7,978,193	Less Than 50% Complete
2C.2	Recovery Now - Department of Commerce - Maryland Small, Minority, and Women-Owned Business Account	\$10,000,000	\$10,000,000	Completed
2C.3	Recovery Now - Department of Commerce - Non-Sales and Use Tax Grants	\$10,000,500	\$10,000,500	Completed

### 2C.1 - Project Restore

The Department of Housing and Community Development (DHCD) administers this project.

[Project Restore](#) provides financial support to Maryland's new or expanding businesses to help incentivize commercial investment in vacant retail and commercial properties. Property Assistance grants support rent, mortgage, property insurance, or utilities. Business Operations grants support sustaining and growing the business in the previously vacant property. Funds can be used to support staff costs, capital improvements, marketing, inventory, and supplies, utilities and the like and cannot be used for executive salaries or bonuses.

The [Project Restore Dashboard](#) contains relevant performance information.



The Maryland Department of Commerce administered the following two SLFRF projects to provide financial assistance to small businesses facing financial hardship.

These projects are also part of the state’s RELIEF Act of 2021, Recovery Now. Their intended outcomes are to retain and increase jobs created by small businesses and to provide the equitable distribution of funds across a diverse group of business owners and regions.

Prior to accepting applications, Commerce developed a marketing and outreach strategy to spread the word about the new funding as broadly as possible so businesses from across the state were ready to apply when the applications were made available. Outreach activities included emailing our 30,000 newsletter subscribers and outreach to every state legislator, nonprofit groups, churches, chambers of commerce, minority chambers of commerce, and various associations.

## 2C.2 - Recovery Now - Department of Commerce - Maryland Small, Minority, and Women-Owned Business Account (SMWOBA)

This project provided an infusion of \$10 million in SLFRF into the existing [Maryland Small, Minority, and Women-Owned Businesses Account \(SMWOBA\)](#). The account provided grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the state.

Each fund manager was allocated \$1,250,000 to make loans or grants. Funding was distributed before July 1, 2021. Small, Minority and Women-Owned Business Fund Managers:

State of Maryland

- Financial Services Corporation (FSC) First (Central Maryland)
- Anne Arundel Economic Development Corporation
- Meridian Management Group, Inc. (Baltimore City)
- Maryland Capital Enterprises Inc. (Eastern Shore)
- Baltimore County, Maryland - Department of Economic and Workforce Development
- City of Baltimore Development Corp.
- Howard County Economic Development Authority
- Tri County Council for Western Maryland

**Timeline**

3/15/21	3/30/21	4/2/21	4/2/21	4/5/21	6/30/21
Commerce posted online program eligibility guidelines and application requirements.	Alert #3 sent to over 30,000 people and organizations that the application was now open.	Commerce reached out to undersubscribed county officials and legislators.	Commerce extended the online application portal to May 24th and continued outreach.	Commerce reached out to the applicants who were prequalified, but had not submitted their application reminding them of the deadline.	All funding was distributed.

There were no administrative requirements that should have resulted in disparities in ability to complete applications or meet eligibility requirements. Commerce had staff readily available to assist businesses with questions.

**Community Engagement**

Commerce had several virtual meetings with the fund managers at the beginning of the pandemic to discuss how best to assist businesses in the SMWOBA portfolio during this time. Lending activity nearly came to a halt as businesses closed. Commerce and the fund managers agreed that the terms needed to be modified to help existing businesses in the portfolio to stay afloat. Businesses were offered up to 6 months in payment and interest deferments. As the economy recovers, these businesses will need access to capital with flexible terms in order to survive. The SMWOBA is a valuable resource to help businesses recover.

The fund managers’ community outreach activities include promotions through social media, including blog posts and podcasts. They have strong relationships with their local Chambers of Commerce and financial institutions. One fund manager recently hired a minority owned business to design marketing materials for the program paired with broadcast and online media outlets. Referrals are another source of outreach. Fund managers also participate and sponsor workshops and seminars in partnership with local, state, and federal agencies.

## Use of Evidence

The Maryland Small, Minority and Women-Owned Businesses Account (SMWOBA) has been providing capital for small businesses since 2013. From the inception of the Fund to June 30, 2021, 866 transactions have been approved for \$92.3 million, projected to create and retain 10,100 jobs, leveraging \$201 million in private sector capital. A total of 772 transactions have settled for \$79 million expected to create and retain 8,704 leveraging \$192.9 million in private sector capital. With a proven track record for supporting the state's small, minority, women and veteran-owned businesses, Maryland determined investment in this existing program framework would be effective.

There is an annual report released each year for the SMWOBA program. There are good faith goals related to the program in general. This program is audited every few years to determine whether the program is effective. As it relates to the COVID-19 response of the program, the program was successful in reaching and assisting small, minority, and women owned businesses.

## Performance

As of June 30, 2021, the Department of Commerce had received requests for funding from 184 small businesses totaling \$10,000,000.

- 91 Loans totaling \$6,805,378
- 45 Grants totaling \$1,618,300
- 48 Converted Loans to Grants totaling \$1,576,322

The SMWOBA program and fund managers have an excellent reputation in the small business community. Commerce tracks SMWOBA and fund manager success by conducting an annual survey. Results for the fiscal year 2021:

- 56.9% indicated a previous lender declined them and 76% stated the loan or investment provided had been helpful for growing their business.
- 66% are likely to hire new employees in the next year.
- 94% indicated that they were satisfied with the service they received from the Fund Manager.

### 2C.3 - Recovery Now - Department of Commerce - Non-Sales and Use Tax Grants

This project supports economic stabilization and growth during and post-pandemic through grants to businesses that demonstrate a need for assistance. The Maryland Economic Development Assistance Authority and Fund (MEDAAF) provided grants of up to \$9,000 to businesses that do not collect the sales and use tax.

#### Timeline

3/30 - 4/6/21	4/14 - 4/27	4/30 - 5/24/21	4/30/21	5/4/21	5/28/21
Initial application period.	Review process started.	Commerce conducted outreach to undersubscribed counties and constituents and reopened the application portal.	Commerce began sending grant agreements to awardees.	Commerce began reviewing grant agreements and processing disbursements.	All disbursements completed.

#### Performance

The target was to distribute at least 15% to disadvantaged businesses. At the conclusion of the program, we found that 43% of recipients were disadvantaged businesses. Performance data came from client self-reporting on the prescreening questions. Priority was given to businesses that had not received prior funding from MEDAAF.

#### *Non-Sales and Use Tax Grants by Jurisdiction*

County	Disadvantaged Businesses Awarded	Disadvantaged Businesses Amount	Total Awards All Businesses	Total Approved Amount	Percentage Awarded to Disadvantaged Businesses
Allegany	2	\$18,000	4	\$35,000	51
Anne Arundel	49	\$439,250	115	\$1,023,051	43
Baltimore City	39	\$345,342	84	\$741,687	47
Baltimore	52	\$460,000	109	\$971,051	47
Calvert	2	\$18,000	13	\$115,913	16
Caroline	1	\$9,000	5	\$42,000	21

State of Maryland

County	Disadvantaged Businesses Awarded	Disadvantaged Businesses Amount	Total Awards All Businesses	Total Approved Amount	Percentage Awarded to Disadvantaged Businesses
Carroll	6	\$53,600	29	\$243,364	22
Cecil			3	\$27,000	0
Charles	11	\$99,000	23	\$206,000	48
Dorchester	2	\$18,000	6	\$54,000	33
Frederick	14	\$118,650	52	\$459,400	26
Garrett	2	\$18,000	3	\$27,000	67
Harford	11	\$97,500	37	\$321,000	30
Howard	37	\$331,495	68	\$607,395	55
Kent	1	\$9,000	3	\$27,000	33
Montgomery	129	\$1,144,162	292	\$2,581,342	44
Prince George's	81	\$714,101	163	\$1,433,898	50
Queen Anne's	8	\$72,000	17	\$151,500	48
Somerset			1	\$9,000	0
St. Mary's	6	\$54,000	14	\$126,000	43
Talbot	3	\$27,000	8	\$69,000	39
Washington	9	\$81,000	35	\$312,400	26
Wicomico	15	\$133,999	36	\$318,499	42
Worcester	4	\$34,500	11	\$97,500	35
<b>Total</b>	<b>484</b>	<b>\$4,295,599</b>	<b>1131</b>	<b>\$10,000,000</b>	<b>43</b>

[Non-Sales and Use Tax Grants by Zip Code and County with Breakdown of Disadvantaged Businesses](#)



2D – Community and Public Benefits

Project ID	2D
Project Name	Community and Public Benefits
Budget	\$200,162,774
Expenditure Category	2.3 - Assistance to Households: Household Assistance: Cash Transfers

**Financial Summary**

ID	Subproject Name	Budget	Expenditures	Status
2D.1	Re Enrolled - Department of Human Services - Temporary Disability Assistance Program	\$14,162,774	\$2,689,008	Less Than 50% Complete
2D.2	TCA \$100 Bonus & TDAP \$100 Bonus	\$46,000,000	\$16,523,620	Less Than 50% Complete
2D.3	TCA Costs Associated with the Pandemic	\$140,000,000	\$140,000,000	Completed

**Project Overview**

This project is administered by the Maryland Department of Human Services (DHS). It provides cash transfers for household assistance to eligible individuals, households, and nonprofit organizations most disproportionately impacted by the pandemic. This includes nonprofit assistance, cash assistance, and fee assistance.

Temporary Cash Assistance (TCA), Maryland’s Temporary Assistance to Needy Families (TANF) program, provides cash assistance to families with dependent children when available resources do not fully address the family’s needs and while preparing program participants for independence through work.

The number of individuals participating in the TANF program increased from approximately 25,000 pre-pandemic to over 57,000 during the pandemic. SLFRF helped the state to support these individuals and families.

This project’s outcomes:

- Aid in the recovery of income for Maryland’s families.
- Reduce the prevalence of very low food security
- Reduce the percent of families with children and youth under age 18 whose income is below the poverty level

## **2D.1 - Re Enrolled - Department of Human Services - Temporary Disability Assistance Program**

Due to pandemic related closures, the Department of Human Services offered waivers of certain requirements (including medical certification of disability) and extended recertification time periods for the [Temporary Disability Assistance Program \(TDAP\)](#).

Following the end of the waiver of verification requirements and a temporary restart of recertifications, the TDAP caseload declined substantially from a peak of 17,649 recipients in June 2020 to 7,491 recipients in December 2020. This decrease was attributed to challenges related to reduced in-person operations and accessing medical professionals to certify disabilities resulting in case closures for documentation issues. Except as the result of a final determination of a Supplemental Security Income claim, under provision of Recovery Now, Maryland retroactively re-enrolled TDAP participants denied payments on or after July 1, 2020 and prevented the removal of participants from the program until July 1, 2021. Those that were re-enrolled began receiving regular TDAP benefits with the \$100 per month supplement and received retroactive benefits to the date they were initially denied payment. SLFRF helped to support re-enrollments.

## **2D.2 - TCA \$100 Bonus & TDAP \$100 Bonus**

The state fiscal year 2022 budget, as introduced, in January 2021 provided \$37 million to provide for an additional \$100 per recipient per month benefit for [Temporary Cash Assistance \(TCA\)](#) participants from January through June 2021. The maximum TCA benefit for a household of three in federal fiscal year 2021 is \$702. With the additional \$100 per recipient, the same household is receiving up to \$1,002 monthly.

This monthly supplement of an additional \$100 per month was extended to Temporary Disability Assistance Program (TDAP) recipients from February through June 2021. TDAP is the state's cash assistance program for disabled adults which provides a limited monthly benefit for individuals with a short-term disability (at least 3 months but less than 12 months) or long-term disability. If the individual has a long-term disability, they are required to pursue a federal Supplemental Security Income (SSI) application. The individual receives a benefit until a final SSI decision has been reached.

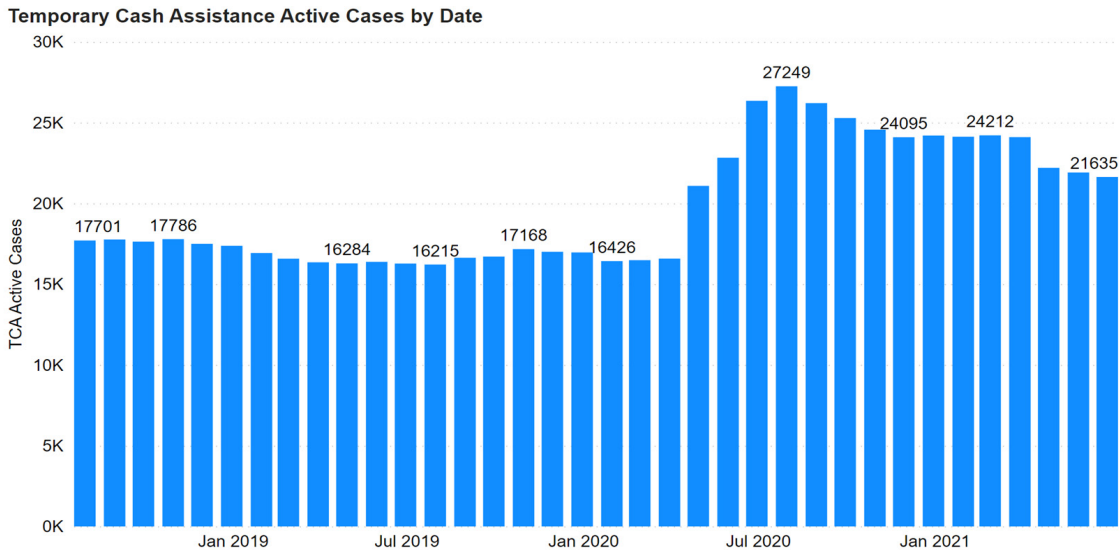
The TDAP benefit in the state fiscal year 2021 was \$243. With the additional \$100, TDAP recipients received up to \$343 monthly. The TDAP benefit increased in October 2021.

Maryland supported the TDAP with additional benefits and continued both programs through the end of calendar year 2021 with SLFRF.

### 2D.3 - TCA Costs Associated with the Pandemic

The [Temporary Cash Assistance \(TCA\)](#) program is Maryland’s largest cash assistance program. TCA provides financial assistance to dependent children and family members due to unemployment/underemployment, death, or incapacitation of one or both parents. TCA is primarily funded through the federal Temporary Assistance for Needy Families (TANF) block grant. This program’s enrollment for March 2020 to February 2021 increased by 49 percent.

The chart below shows the increase in active Temporary Cash Assistance cases through June 30, 2021, the end of the state fiscal year. Updated case data will be available through the end of fiscal year 2022 shortly.



Maryland invested \$140 million in SLFRF for the Temporary Cash Assistance program to support the caseload growth. \$50 million was made available to support program costs from March 3, 2021 to June 30, 2021, the end of state fiscal year 2021. The remaining \$90 million in funding was available to support the TCA program through state fiscal year 2022.

Cash transfers, as noted by the Federal Reserve Bank of Atlanta, “mitigate consumption inequality induced by the pandemic and provide incentives to individuals who are most negatively affected by lockdown policies to adhere to them”<sup>16</sup>. The Center for Budget Priorities found that, “when children grew up in a household receiving additional cash benefits, their academic achievement increased on a lasting basis.”<sup>17</sup>

This project allows the state to hold an equivalent amount of Temporary Assistance for Needy Families (TANF) funding in reserve to preserve benefits during future economic downturns.

<sup>16</sup><https://www.atlantafed.org/-/media/documents/research/publications/policy-hub/2020/05/14/why-cash-transfers-are-good-policy-in-the-covid-19-pandemic.pdf>

<sup>17</sup> <https://www.cbpp.org/research/poverty-and-inequality/recovery-proposals-adopt-proven-approaches-to-reducing-poverty>

## 2E – Online Business Assistance

Project ID	2E
Project Name	Online Business Assistance
Budget	\$500,000
Expenditure Category	2.30 - Assistance to Small Businesses: Technical Assistance, Counseling, or Business Planning

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
2E.1	Recovery Now - Department of Commerce - Online Sales Framework Grants	\$500,000	\$500,000	Completed

The [Maryland Economic Development Assistance Authority and Fund \(MEDAAF\)](#) in the Department of Commerce provided grants to businesses to assist them in setting up an online sales framework and for offering employees telework opportunities.

### Intended Outcomes

- Retain and increase jobs created by small business operations
- Stabilize small business operations and main street economies negatively impacted by reduced foot traffic during the pandemic
- Prevent closures of small businesses and vacant storefronts in main street communities

The Department of Commerce sent out grant agreements to local jurisdictions on March 24, 2021. By May 28, 2021, all had signed and returned their grant agreements.

### Project Details

The Department of Commerce:

- Ensured local jurisdictions prioritized applicants who have not received prior MEDAAF funding.
- No more than 10% of grant funds were allowed to pay for administrative costs. Administrative costs must be itemized in the final report submitted to Commerce describing the use of grant funds.
- Local jurisdictions were provided discretion to target industries / sectors for these grants. The distribution of funds was based on county population.

**Performance**

The counties were asked to update Commerce’s online portal with grant recipients by July 31, 2021, to include the following:

- Name, location, and FEIN of each grantee;
- Amount of grant received by grantee;
- Use of grant proceeds; and
- Demographic information responses of each grantee.

[Online Sales Framework Grants by County and Zip Code](#)

*Online Sales Framework Grants by Jurisdiction*

Supplemental Budget #5 allocated \$5,000,000 to small businesses for this project. SLFRF made up 10% of each jurisdiction’s allocation. The funding formula was simply the percentage of the state’s population that lives in the jurisdiction, divided by the \$5 million budget.

Jurisdiction	Supplemental Budget #5 Amount	SLFRF Portion
Allegany County	\$57,181	\$5,718
Anne Arundel County	\$483,606	\$48,361
Baltimore City	\$474,479	\$47,448
Baltimore County	\$681,230	\$68,123
Calvert County	\$77,031	\$7,703
Caroline County	\$27,703	\$2,770
Carroll County	\$139,155	\$13,916
Cecil County	\$85,136	\$8,514
Charles County	\$137,516	\$13,752
Dorchester County	\$26,269	\$2,627
Frederick County	\$221,546	\$22,155
Garrett County	\$23,721	\$2,372
Harford County	\$213,141	\$21,314
Howard County	\$273,540	\$27,354
Kent County	\$15,991	\$1,599

State of Maryland

Jurisdiction	Supplemental Budget #5 Amount	SLFRF Portion
Montgomery County	\$869,773	\$86,977
Prince George's County	\$749,116	\$74,912
Queen Anne's County	\$41,915	\$4,192
St. Mary's County	\$21,133	\$2,113
Somerset County	\$94,874	\$9,487
Talbot County	\$30,826	\$3,083
Washington County	\$125,164	\$12,516
Wicomico County	\$86,341	\$8,634
Worcester County	\$43,614	\$4,361
<b>Total</b>	<b>\$5,000,000</b>	<b>\$500,000</b>

2F – Housing Relief

Project ID	2F
Project Name	Housing Relief
Budget	\$121,000,000
Expenditure Category	2.2 - Assistance to Households: Household Assistance: Rent, Mortgage, and Utility Aid

**Financial Summary**

ID	Subproject Name	Budget	Expenditures	Status
2F.1	Utility Assistance to Limited Income Customers (HB606 of 2021)	\$20,000,000	\$19,250,640	More Than 90% Complete
2F.2	Emergency Assistance for Late Utility Bills (PC53)	\$83,000,000	\$83,000,000	Completed
2F.3	Recovery Now - Department of Housing and Community Development - 30-Day Emergency Housing Grants	\$15,000,000	\$15,000,000	Completed
2F.4	Recovery Now - Department of Legislative Services through the Administrative Office of the Courts - Maryland Legal Services Corporation Grant	\$3,000,000	\$3,000,000	Completed

This project provides assistance to households and includes the following four (4) subprojects:

- 2F.1 - Utility Assistance to Limited Income Customers (HB606 of 2021)
- 2F.2 - Emergency Assistance for Late Utility Bills (PC53)
- 2F.3 - Recovery Now- DHCD - 30-Day Emergency Housing Grants
- 2F.4 - Recovery Now - JUD - Maryland Legal Services Corporation Grant

Its shared outcomes are to provide financial relief to disadvantaged Marylanders.

## **2F.1 - Utility Assistance to Limited Income Customers (Fund HB606 of 2021)**

To provide \$20,000,000 in debt relief to economically disadvantaged Marylanders, this project expands the electric universal service program.

Utility companies were authorized to establish a limited-income mechanism, such as a credit, rate, or rider. Mechanisms can include an electric company, a gas and electric company, or a gas company. Rural electric cooperatives are excluded from participation. Subject to Public Service Commission (PSC) approval, a municipal electric company may establish a limited-income mechanism.

Eligible limited-income customers are defined as those with annual incomes at or below 175% of FLP (200% of FPL for those 67 years or older) or who are otherwise designated by the PSC. Participating limited-income customers remain eligible for other state administered assistance programs. Proposals for limited-income mechanisms must include the following: 1) a detailed description of the mechanism; 2) an explanation of how the costs will be allocated across customer classes; 3) a supporting rationale; 4) a process by which the PSC will review the effectiveness of the mechanism once implemented; and 5) any other information the PSC may find useful. Funding is allocated for fiscal years 2021 through 2023.

“Energy burden” reflects the disproportionate allocation of financial resources among low-income households on energy expenditures. Compared to middle- and upper-income households that spend 5 percent or less of their total household income on energy purchases, low-income households spend 10 percent or more of their income on energy expenses. The burden is even greater among the very poor, who are likely to spend upwards of 20 percent on energy purchases.”<sup>18</sup>

### **Performance**

- Total customers served by limited income mechanism
- Total reduction in energy expenses for customers using the mechanism

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<sup>18</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4819257/>



## 2F.2 - Emergency Assistance for Late Utility Bills (PC53)

### Project Description

This SLFRF project provided emergency assistance to gas and electric utilities providers to reduce customer arrearages (late bills). The [Maryland Public Service Commission \(PSC\) led this project](#) as a one-time funding mechanism. Grants across three defined categories were provided with the goal of reducing or eliminating residential customer bill arrearages, with a focus on people in-need.

### Project Activities

Maryland utilities reported that thousands of residential customers fell behind on their bills for electric and gas service during the pandemic. The Maryland General Assembly targeted \$83 million to alleviate a portion of the \$276 million owed by utility customers, many of whom faced significant hardship from loss of employment or reduced hours and income. Utility arrearages grew 123.5% between October 2019 to October 2020. The PSC issued Order No. 89856 directing the funding distribution and requirements for reporting. Only residential customer accounts with arrearages that accumulated before June 30, 2021 were eligible. Grants were applied to amounts owed by customers in the following order:

Category 1	Category 2	Category 3
Customers who received prior energy assistance from the Department of Human Services, Office of Home Energy Programs (OHEP) within the last four years.	Customers with special medical needs certificates on file with their utility for a medical condition that requires electricity for maintaining health.	Customers with the oldest arrearages (late bills).
100% retired - \$56 million	100% retired - \$3 million	~10% retired - \$24 million

Customers did not need to take any action to receive the funding, funds appeared as bill credits from July through September of 2021.

The order directed electric and gas utilities to communicate with customers regarding the application of SLFRF to their past-due bills. The utilities were directed to include messaging to inform customers of their options for energy assistance, including Office of Home Energy Programs (OHEP) and utility payment plans. Utilities were also directed to include a letter stating the Maryland Office of People’s Counsel and the Maryland Fuel Fund could help customers seeking assistance.

## **Community Engagement**

A three-day Public Conference (PC 53) was held to engage stakeholders. A press release on July 8, 2021 announced the PC 53 proceedings, including social media posts and notices issued by the executive secretary. The Commission received recommendations regarding fund allocation from Exelon Utilities; Potomac Edison; the Southern Maryland Electric Cooperative (“SMECO”); the Washington Gas Light Company (“WGL”); the Maryland Office of People’s Counsel (“OPC”); the Thurmont Municipal Light Company; the Easton Utilities; Baltimore Gas & Electric, Potomac Electric Power Company, Delmarva Power and Light; the Town of Berlin; the Hagerstown Light Department; the Cancer Support Foundation; private citizens Jeanne Ruddock and Raymond Nevo; the Govans Ecumenical Development Corporation; and Commission Technical Staff.

All parties were given time at the virtual hearing to provide comments and recommendations on best practices for how arrearage forgiveness should be distributed. In addition, the statutory parties (Technical Staff and OPC) both have mandates to represent broad residential interests and ensure that while any individual may not have sufficient resources to participate in the Commission’s process the collective interests are still presented. Following the Public Conference, the Chairman and Commissioners drafted the Order for release on June 15, 2021 and immediate dispersal of the funding. Two subsequent press releases on August 31<sup>st</sup> and September 22<sup>nd</sup> explained the outcomes of the public conference and debt relief dispersal.

## **Timeline**

Utility data collection took place from April through May 2021, grants were awarded in June 2021, and bill credits were dispersed from July through September 2021.

## **Primary Delivery Mechanisms and Partners**

The grants were provided to twenty (20) utility providers across all jurisdictions. Additional partners include the Office of Home Energy Programs (OHEP) and the Maryland Office of People’s Counsel.

## **Intended Outcomes**

- Debt relief to support economically disadvantaged Marylanders
- Lower the statewide arrearage balances reported by utility companies

## **Use of Evidence**

“Energy burden” reflects the disproportionate allocation of financial resources among low-income households on energy expenditures. Compared to middle- and upper-income households that spend 5% or less of their total household income on energy purchases, low-income households spend 10% or more of their income on energy expenses. The burden is even greater

among the very poor, who are likely to spend upwards of 20% on energy purchases.<sup>19</sup> These statistics serve as evidence to the legitimacy of the three categories outlined in the order.

**Performance**

Overall, the [2021 Maryland Public Service Commission Annual Report](#) describes statewide arrearages have dropped back to approximate pre-pandemic levels for most utilities. Additionally, the number of customers experiencing payment difficulties is well below historical averages.

Measures

1. Grants to utilities, listed by utility
2. Number of customers provided funding
3. Average amount of funding per customer
4. RELIEF funding distributed by Category
5. Customers and funding distributed by County

*Grants Distributed to Utilities*

Utility	Total Received
A&N Electric Cooperative	\$912
Town of Berlin	\$27,255
Baltimore Gas and Electric Company	\$49,715,595
Chesapeake Utilities Corporation	\$155,471
Choptank Electric Cooperative Inc.	\$281,556
Columbia Gas of Maryland, Inc.	\$803,026
Delmarva Power & Light Company	\$7,967,715
The Easton Utilities Commission	\$60,898
Elkton Gas Company	\$70,664
Hagerstown Light Department	\$200,498
Potomac Electric Power Company	\$12,492,356
The Potomac Edison Company	\$4,025,369
Sandpiper Energy Inc.	\$35,824

<sup>19</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4819257/>

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Utility	Total Received
Southern Maryland Electric Cooperative, Inc.	\$1,388,687
Somerset Rural Electric Cooperative Inc.	\$3,184
Thompson Distribution Partners, LLC	\$9,303
Thurmont Municipal Light Company	\$24,064
UGI Utilities, Inc.	\$1,544
Washington Gas Light Company	\$5,725,169
Williamsport Municipal Light Plant	\$10,911
<b>Total</b>	<b>\$83,000,000</b>

*Funds Distributed by Category*

	Category 1		Category 2		Category 3		Totals by Utility	
	Customers	\$/Cust.	Customers	\$/Cust.	Customers	\$/Cust.	Customers	\$/Cust.
BGE	38,297	\$973	824	\$1,462	39,710	\$261	78,831	\$619
Pepco	7,850	\$1,015	184	\$916	20,954	\$208	28,988	\$431
Delmarva	6,724	\$1,157	146	\$873	3,895	\$16	10,765	\$740
Potomac Edison	5,299	\$505	1,580	\$633	25,648	\$13	32,527	\$124
WGL	4,748	\$566	1,486	\$540	3,474	\$643	9,708	\$590
SMECO	1,714	\$835	27	\$643	6,843	\$3.00	8,584	\$171
Total by Category	64,632	\$842	4,247	\$845	100,524	\$191	169,402	\$475

The following table shows the count and amount of ‘customers aided by county’, and the percentage of the county population that received aid.

*Electric and Gas Utilities Bill Payments (Customer Arrearages) by County*

County	Amount	Customers Aided	Average Customer Amount	Total Population	Percentage of Population
Dorchester County	\$1,012,465	1,931	\$524	31,994	6.04
Baltimore City	\$23,948,430	31,103	\$770	602,274	5.16
Allegany County	\$1,773,224	3,473	\$511	71,002	4.89
Wicomico County	\$2,687,242	4,775	\$563	103,222	4.63

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County	Amount	Customers Aided	Average Customer Amount	Total Population	Percentage of Population
Cecil County	\$1,983,064	4,411	\$450	102,889	4.29
Washington County	\$1,166,128	5,488	\$212	150,575	3.64
Prince George's County	\$14,272,967	30,927	\$462	910,551	3.40
Somerset County	\$821,809	869	\$946	25,699	3.38
Charles County	\$811,911	4,891	\$166	161,448	3.03
Baltimore County	\$12,816,712	23,494	\$546	828,193	2.84
Garrett County	\$279,897	815	\$343	29,155	2.80
Kent County	\$362,301	537	\$675	19,456	2.76
Worcester County	\$730,686	1,398	\$523	51,967	2.69
Caroline County	\$415,582	792	\$525	33,260	2.38
Harford County	\$2,561,368	4,806	\$533	253,736	1.89
St. Mary's County	\$420,100	2,076	\$202	113,182	1.83
Calvert County	\$372,529	1,435	\$260	92,094	1.56
Anne Arundel County	\$4,643,005	8,497	\$546	575,421	1.48
Montgomery County	\$6,775,318	13,926	\$487	1,047,661	1.33
Howard County	\$2,453,553	4,126	\$595	322,407	1.28
Queen Anne's County	\$332,249	630	\$527	50,163	1.26
Frederick County	\$1,226,046	3,211	\$382	255,955	1.25
Talbot County	\$49,007	410	\$120	37,087	1.11
Carroll County	\$1,084,407	1,854	\$585	168,233	1.10
<b>Total</b>	<b>\$83,000,000</b>	<b>155,875</b>		<b>6,037,624</b>	

The following table uses the percentage of the county population that received aid for this project and the demographics of the county based on the 2016-2020 5-year American Community Survey (ACS). There is a tighter correlation between the percentage of people that are living

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below poverty level or percent receiving Supplemental Nutrition Assistance (SNAP) that needed help with late bills versus people with a disability or over 65 years old and living alone.

*Electric and Gas Utilities Bill Payments (Customer Arrearages) Compared to Demographics*

County	Percentage of Population	Percentage of Families Below Poverty Level	Percent Receiving SNAP	Percent With a Disability	Percent Over 65, Living Alone
Dorchester County	6.04	10.90	21.10	17.30	14.60
Baltimore City	5.16	15.00	22.80	15.50	12.90
Allegany County	4.89	10.10	20.20	18.80	16.40
Wicomico County	4.63	8.90	16.80	12.80	11.80
Cecil County	4.29	6.40	11.90	13.70	9.90
Washington County	3.64	8.80	14.00	15.50	12.10
Prince George's County	3.40	5.60	9.30	9.70	9.70
Somerset County	3.38	15.10	24.80	16.00	12.90
Charles County	3.03	4.50	8.00	9.90	7.80
Baltimore County	2.84	6.10	9.70	11.50	13.00
Garrett County	2.80	6.10	14.00	17.60	15.00
Kent County	2.76	6.00	12.80	13.40	17.30
Worcester County	2.69	6.30	9.50	15.20	16.40
Caroline County	2.38	9.50	17.50	14.60	10.50
Harford County	1.89	4.20	7.30	10.90	9.70
St. Mary's County	1.83	6.70	10.70	11.90	7.10
Calvert County	1.56	2.90	6.00	9.90	8.80
Anne Arundel County	1.48	3.80	6.00	10.70	9.50
Montgomery County	1.33	4.40	6.40	8.50	10.10
Howard County	1.28	3.60	4.90	8.10	7.80
Queen Anne's County	1.26	3.10	7.00	10.60	10.10
Frederick County	1.25	4.40	6.90	10.30	9.30
Talbot County	1.11	5.50	9.40	15.10	17.60
Carroll County	1.10	3.00	5.60	12.00	11.10

## **2F.3 - Recovery Now - Department of Housing and Community Development - 30-Day Emergency Housing Grants**

The Maryland Department of Housing and Community Development (DHCD), Division of Neighborhood Revitalization, administers the Emergency Housing Program (EHP). The EHP was funded under the State RELIEF Act, which provided \$15 million in additional funding for up to 30 days of emergency housing to respond to the economic crisis caused by the COVID-19 pandemic. Funding was administered through direct allocations to Maryland's 16 Continua of Care (CoCs) and Local Homeless Coalitions for the purpose of preventing, reducing, and ending homelessness within their jurisdictions, and providing emergency assistance to mitigate the economic impact of the COVID-19 crisis on vulnerable households. Specifically, they were used to assist households experiencing homelessness to be connected with emergency shelter, quickly regain stability in permanent housing and to prevent households from becoming homeless. The goals of the program include efforts to:

- Provide shelter as a crisis response for people experiencing homelessness;
- Reduce the number of individuals/households who become homeless;
- Shorten the length of time an individual or household is homeless;
- Reduce the number of individuals/households that return to homelessness; and
- Provide fixed or short-term rental assistance payments to people at risk of being homeless.

The Emergency Housing Program funding covers three main activities:

1. **Hotel/Motel.** Hotel/motel covers both vouchers and master leases to secure hotel/motel rooms to de-congregate shelters. Client agreements for hotel/motels should be paid thirty days at a time.
2. **Emergency Shelter.** Emergency Shelter covers activities that connect people with immediate access to overnight shelter to respond to a crisis. Funding provided for Emergency Shelter can be used both to pay for the operations of the shelter, such as rent and utilities, as well as services provided by the shelter, including case management.
3. **Rental Assistance.** Rental assistance designed to help people experiencing or at risk of homelessness access and remain in permanent housing. Eligible costs include Security Deposits, Current Month's Rent and Future Rent (30 days at a time), but does not include rental arrears, utilities or case management services. Rental Assistance should be targeted to households experiencing or at-risk of homelessness, but not limited to the HUD definitions of homelessness.

### **Equity-Related Activities**

Maryland DHCD used a funding formula, which included each communities share of rental units as the baseline (rather than total population), and then weighted the funding allocations using the Urban Institute's Eviction Risk Average Percentile Score, which assigns an "equity percentile"

or score to every census tract. The percentile represents that area’s prevalence of risk factors for eviction and becoming homeless relative to other areas within the state. For example, tenants in a county with an average equity percentile of 50% have a higher risk of eviction than 50% of other counties in the state. Those tenants are more than twice as likely to experience eviction / homelessness than tenants in a county with an average equity percentile of 25%. The data used to create percentiles/scores considers housing instability risk factors, COVID19 impact, and equity factors.

In addition to using an equity weighted funding formula, Emergency Housing Program funds are targeted to serve clients experiencing, or at risk of homelessness.

Clients were required to meet the following criteria:

- At or below 50% AMI, and currently behind on rent; OR
- Currently experiencing homelessness as defined as lacking a fixed, regular, and adequate nighttime residence. Individuals who are couch-surfing, doubled up, or at risk of hotel eviction are eligible to receive assistance.

**Community Engagement Related Activities**

All funding was distributed through local Continuum of Care or Local Homeless Coalitions, which are the local coordinating bodies for homeless services in each jurisdiction. CoC and LHC Executive Boards include members from local homeless service providers, government representatives and individuals with lived experience.

**Timeline**

The original contract period for EHP funds was March 1, 2021-June 30, 2022, although several contracts have been extended through June 30, 2023. Communities are under tight expenditure deadlines for several COVID relief funds, and the additional time allows them to target and ensure continuity of services for the most vulnerable community members more effectively.

**Primary Delivery Mechanisms and Partners**

Funding is distributed to the lead agency for the Continuum of Care in each jurisdiction, and sub granted to local service providers.

*Funding Distribution and Project Numbers Served by Jurisdiction*

Jurisdiction	Total Allocation	Percent of DHCD Award	# Providers	Projected Number Served
Allegany County	\$151,112	1%	4	541
Anne Arundel County	\$1,017,157	7%	4	790
Baltimore City	\$2,599,077	17%	5	1,251
Baltimore County	\$2,199,967	15%	1	241
Carroll County	\$189,968	1%	2	400
Cecil County	\$185,113	1%	2	50



Jurisdiction	Total Allocation	Percent of DHCD Award	# Providers	Projected Number Served
Frederick County	\$409,516	3%	4	100
Garrett County	\$75,150	0.5%	2	40
Harford County	\$381,235	3%	2	200
Howard County	\$635,289	4%	2	85
Lower Shore (Somerset, Wicomico, and Worcester)	\$699,484	5%	4	355
Mid-Shore (Talbot, Kent, Queen Anne's, Dorchester, Caroline)	\$418,730	3%	11	315
Montgomery County	\$2,655,260	18%	7	818
Prince George's County	\$2,417,323	16%	5	315
Southern Maryland (St. Mary's Charles, Calvert)	\$544,620	4%	10	554
Washington County	\$420,999	3%	4	360
<b>Total</b>	<b>\$15,000,000</b>		<b>69</b>	<b>6375</b>

### Intended Outcomes

The Emergency Housing Program funds are intended to achieve the following intended outcomes:

- Reduce the number of individuals/households who become homeless;
- Shorten the length of time an individual or household is homeless;
- Reduce the number of individuals/households that return to homelessness; and
- Provide Emergency Short-Term shelter and hotel/motel stays for individuals and households experiencing homelessness.

### Use of Evidence

All EHP-funded programs are required to use a Housing First approach to providing homeless services. The [Results First Clearinghouse](#) indicates Housing First had a positive impact based on the most rigorous evidence:

Housing First programs address chronic homelessness by providing rapid access to permanent housing, without a precondition of treatment, along with ongoing support services such as crisis intervention, needs assessment, and case management. A form of permanent supportive housing, the program usually serves individuals who are chronically homeless and have persistent mental illness or problems with substance abuse and addiction. Clients can be placed in apartments throughout a community or a centralized housing location with on-site support for those requiring more intensive services; clients receive housing regardless of substance use.<sup>20</sup>

<sup>20</sup><https://www.pewtrusts.org/en/research-and-analysis/data-visualizations/2015/results-first-clearinghouse-database>

## Performance

EHP contracts run through June 2023, and final project data will not be available at the time of this report. All providers receiving EHP funding are required to input client demographic data and outcomes in their local Homeless Management Information System (HMIS). This data is used to monitor program quality for providers, and to evaluate system wide performance for each jurisdiction's homeless service system. The data collected through the HMIS system will allow us to report on the following:

- Number of Households Served by service type
- Number of clients served was disaggregated by age, race, ethnicity and other demographics collected through HMIS.

### **2F.4 - Recovery Now - Department of Legislative Services through the Administrative Office of the Courts - Maryland Legal Services Corporation Grant**

The Administrative Office of the Courts provided a grant to Maryland Legal Services Corporation to pay for legal assistance for individuals facing eviction. The health and economic emergencies caused by the COVID-19 pandemic have both exacerbated existing civil legal problems and created new ones. Issues related to eviction have become even more complicated and having an experienced advocate can make a tremendous difference for a low-income Marylander who, if not for civil legal aid, would be forced to navigate the legal system alone.

The vital work of legal services organizations ensures all Marylanders – not just those with the ability to pay for legal assistance – get the help they need to stay housed. All MLSC funds are used to serve households at or below 50% of Maryland median income, which includes at least 1.3 million Marylanders.

Evictions disproportionately affect women and renters of color. A report by Tim Thomas of the University of California at Berkeley showed that the number of Black women evicted is 3.9 times higher than the number of white men evicted in Baltimore City (<https://evictions.study/maryland/report/baltimore.html>).

However, legal representation can help address this disparity, as a study by Stout Risius Ross LLC found that attorneys are successful in preventing disruptive displacement of Baltimore renters in 92% of the eviction cases they are involved in (<https://bmorerentersunited.org/rtc/stoutreport/>).

## **Project Activities**

MLSC made subgrants to eight (8) civil legal aid organizations to provide eviction prevention legal services for low-income Marylanders. The subgrantees make use of both staffed legal services programs and the engagement of the private bar to provide pro bono and low bono service.

Civil legal aid organizations provide a variety of services, including offering self-help resources, assisting with rental assistance applications and proper documentation, negotiating with administrative units and landlords, and providing an attorney for full representation in court.

Legal aid attorneys working with current MLSC grantees have helped clients achieve a range of outcomes in their cases, including avoiding eviction, delaying eviction so the tenant has additional time to move, avoiding a loss of a housing subsidy, and enforcing a tenant's rights under a lease and more.

## **Equity Related Activities**

MLSC's project data to-date reflects the fact that evictions disproportionately impact women and renters of color. Of the 2,580 closed cases from July 1, 2021 through March 31, 2022, 86% were for clients of color and 70% for women.

## **Community Engagement Related Activities**

MLSC's nonprofit subgrantees have expertise regarding models that work best in each of Maryland's jurisdictions and tailor their services accordingly. These organizations are well-established and trusted members of their local communities, with the backing and collaboration of a statewide delivery system. They also partner with community-based organizations to provide workshops, staff community events, and provide general information on how to access legal services.

MLSC's grants were also awarded with access for specific communities in mind. For example, subgrantee CASA serves immigrants, many of whom have limited English proficiency, and Disability Rights Maryland serves individuals with disabilities.

Many sub-grantees collect feedback from clients, but due to the hard-to-reach nature of the population served, it is difficult to maintain contact after cases are closed.

## **Timeline**

MLSC received \$3 million in funding on March 18, 2021, and held the funds for deployment beginning July 1, 2021, which allowed for consideration of eviction moratoria and pending legislation. MLSC made awards of just over \$2 million to subgrantees in FY22. Remaining funds will be used to maintain services in FY23.

### **Primary Delivery Mechanisms and Partners**

MLSC made subgrants to CASA, Community Legal Services of Prince George’s County, Disability Rights Maryland, Homeless Persons Representation Project, Maryland Legal Aid, Mid-Shore Pro Bono, Pro Bono Resource Center and Public Justice Center. All organizations perform pre-trial intake where a staff person evaluates the case and helps to match the client with an attorney. Several grantees are also performing day-of services, where clients may not have been connected with a legal services provider prior to their hearing, but have the chance to consult an attorney to receive representation through in-court intake.

### **Equity Related Awareness, Access, and Distribution**

The main differences in level of access are related to geography. Subgrantees are currently offering day-of-court services in Baltimore City, Anne Arundel, Baltimore, Caroline, Dorchester, Kent and Prince George’s counties. Due to space limitations, staffing constraints or other issues, in-court intake is not provided in other counties at this time. Additionally, clients with limited English proficiency and limited internet access face additional barriers in learning about services. Both MLSC grantees and the Maryland Courts have attempted to address these issues through translation services and in-person outreach.

### **Intended Outcomes**

- Stable housing for Maryland families
- Reduce the number of Marylanders experiencing homelessness
- Mitigate/reduce the eviction of rental tenants

### **Equity Related Outcomes**

As evictions disproportionately impact tenants of color, all intended outcomes increase equity. While services are statewide, funding was concentrated in areas with high percentages of low-income tenants, for example in Baltimore City. Some funding was also reserved to target traditionally marginalized communities, including immigrants, people with disabilities, tenants in public housing, and with housing vouchers.

**Performance**

<b>FY 2022 Total Households Served</b>	<b>3641</b>
<i>Age</i>	
0-17	2
18-59	3071
60+	553
Unknown	15
<i>Gender</i>	
Male	1090
Female	2546
Other	4
Unknown	1
<i>Race/Ethnicity</i>	
American Indian/Alaskan	21
Asian/Pacific Islander	30
Black	2395
Hispanic	372
White	496
Other	236
Unknown	91

*Note: All household income is at or below 50% of Maryland median income.*

## 2G – Non-Profit Assistance

Project ID	2G
Project Name	Non-Profit Assistance
Budget	\$46,870,041
Expenditure Category	2.34 - Assistance to Nonprofits: Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
2G.1	Recovery Now - Department of Commerce - Arts Council	\$4,997,000	\$4,997,000	Completed
2G.2	Recovery Now - Department of Housing and Community Development - Non-Profit Assistance Grants	\$20,000,000	\$20,000,000	Completed
2G.3	Recovery Now - Department of Human Services - Food Bank Grants	\$10,000,000	\$10,000,000	Completed
2G.4	Recovery Now - Maryland Department of Emergency Management - Volunteer Fire Department and Rescue Squad Grants	\$4,000,000	\$4,000,000	Completed
2G.5	Residential Treatment Centers	\$7,873,041	\$7,873,041	Completed

### Project Description

Nonprofit organizations were impacted in various ways by the pandemic. Food banks and community organizations experienced increased demand for their services, resulting in an increased financial burden. Artists, performing arts venues, and related organizations faced limited opportunity to cultivate new donors or revenue streams due to closures and distancing requirements. This project provided grants to certain non-profit organizations to mitigate financial impacts, including:

- Emergency art grants to artists, art districts, and art organizations.
- Funding to local governments to provide grants to nonprofits with demonstrated need. Priority was given to organizations that had not already received assistance through [Maryland’s Nonprofit Recovery Initiative](#).

- Grants to deliver food to nonprofit food assistance partners and through direct distribution to the community and work with a network of community and organizational partners including food pantries, soup kitchens, shelters, residential treatment centers, and faith-based organizations that serve food-insecure Marylanders.
- Grants to volunteer fire departments and rescue squads that had lost revenue due to COVID-19 and have not received relief from other sources.

**2G.1 - Recovery Now - Department of Commerce - Arts Council**

[The Maryland State Arts Council](#) provided 838 emergency grants to artists, art districts, and art organizations. The grants were distributed with priority for organizations that had not received prior COVID-19 relief funding from the Council or that did not qualify for funding under other Council programs. The grants were distributed as follows:

- \$535,813 awarded to arts organizations who had 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.
- [Allocation of grants by zip code.](#)

**Timeline**

3/5/21	3/24/21	mid-April 2021	4/26- 4/30/21	5/3/21
MSAC released an application for grant funding with a deadline of 4/1/21	The application review began, prioritizing the review of individual artists	Internal reviews were completed	Staff sent award notifications with instructions to sign and return grant agreement forms	MSAC staff began to countersign grant agreements and process payments

**Community Engagement**

The Maryland State Art Council’s strategic plan includes a goal to broaden its constituency, providing avenues designed to increase pathways to engagement. Objectives include:

- In alignment with our equity, diversity, and inclusion plan, proactively communicate and connect with communities and artists not fully served.
- Increase MSAC’s presence across the state, promoting and providing more direct access to MSAC resources and personnel
- Create platforms and leverage relationships to grow learning and sharing opportunities within and beyond the sector.

MSAC documents its progress in its [Strategic Plan Implementation Evidence Scorecard](#).

**Impacts**

“The emergency funds that the Maryland State Arts Council offered helped to sustain me as an artist living in the rural mountains of Western Maryland. While many of my other writing friends across the country temporarily abandoned their craft to seek outside employment to meet their financial needs, the State of Maryland stepped up and took care of its artists, like me. For that, I am forever grateful. With the monies from the MSAC Emergency Grant, I could cover my monthly expenses and still continue to focus on my writing.” - *Alfred Tyrone DeMartino, writer*

“Without the support of MSAC, Spotlighters would have ended our existence in our 58th year. Your support kept Spotlighters an active participant in the Baltimore Theatre community and prepared to re-open with a strong organizational system.” -Spotlighters

“Our organization was close to having to suspend all arts activities until further notice when we were awarded funds from the Maryland State Arts Council. The funds provided helped us continue our programming and has helped our doors stay open. Moving forward in 2021 we are able to host our normally scheduled productions, classes, and summer programs for students in grades 1-12 and will present 5 community theatre productions that are open to the public. Funding has truly helped us get back on track and mitigated the decline of sales and involvement from COVID-19.” - Authentic Community Theatre

*Arts Council Grants Distributed by County*

Jurisdiction	Awards	Amount	Average Award Amount
Allegany County	9	\$47,250	\$5,250
Anne Arundel County	103	\$561,352	\$5,450
Baltimore County	71	\$294,750	\$4,151
Baltimore City	232	\$1,498,561	\$6,459
Calvert County	3	\$9,000	\$3,000
Caroline County			
Carroll County	6	\$18,000	\$3,000
Cecil County	3	\$9,000	\$3,000
Charles County	8	\$82,200	\$10,275
Dorchester County	2	\$8,325	\$4,163
Frederick County	28	\$155,622	\$5,558



State of Maryland

Jurisdiction	Awards	Amount	Average Award Amount
Garrett County	2	\$22,862	\$11,431
Harford County	21	\$84,768	\$4,037
Howard County	32	\$150,005	\$4,688
Kent County	12	\$113,547	\$9,462
Montgomery County	131	\$1,093,559	\$8,348
Prince George's County	124	\$532,839	\$4,297
Queen Anne's County	7	\$67,022	\$9,575
Saint Mary's County	5	\$18,375	\$3,675
Somerset County	3	\$13,500	\$4,500
Talbot County	8	\$46,013	\$5,752
Washington County	13	\$44,375	\$3,413
Wicomico County	8	\$62,250	\$7,781
Worcester County	5	\$52,125	\$10,425
Other	2	\$11,700	\$5,850
<b>Total</b>	<b>838</b>	<b>\$4,997,000</b>	

## 2G.2 - Recovery Now - Department of Housing and Community Development - Non-Profit Assistance Grants

The Department of Housing and Community Development (DHCD) distributed funding to local governments to provide grants to nonprofits that demonstrated need, with priority given to organizations that had not already received assistance through Maryland's Nonprofit Recovery Initiative. Funds were distributed to local governments in April 2021 and the grants were awarded to nonprofits by September 30, 2021.

[Allocation of funding based on population.](#)

### Use of Evidence

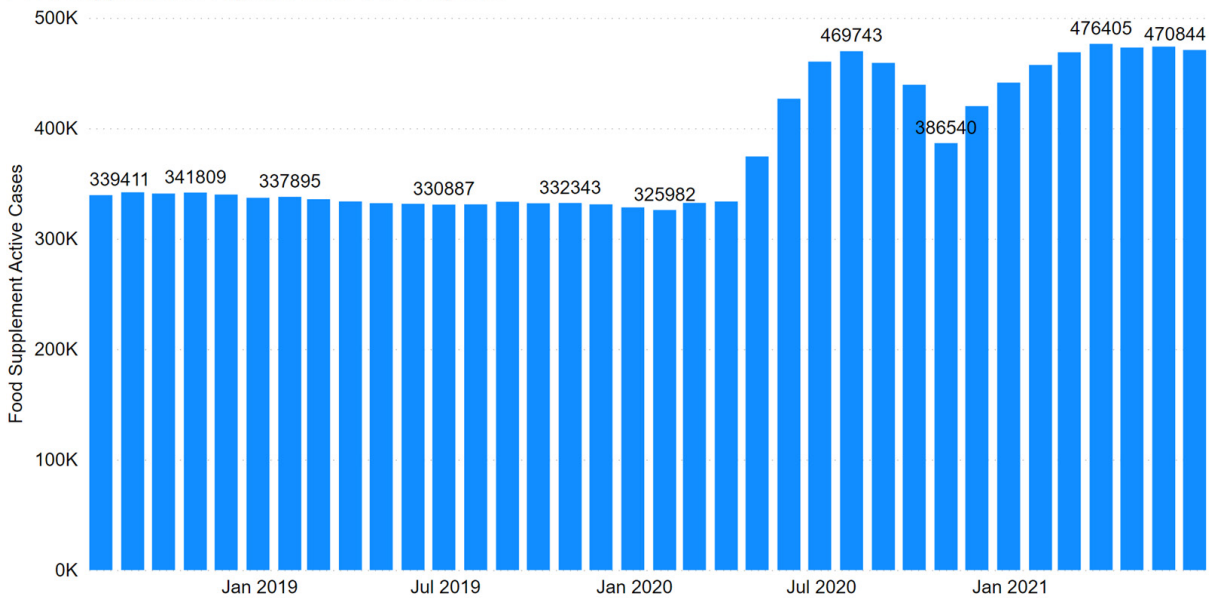
The Center for Effective Philanthropy published the report, Preserving Through Crisis: The State of Nonprofits, in June 2021. The report stated that most nonprofits leaders reported a decline in

revenue in 2020 compared to prior years and at the same time “half of nonprofit leaders say demand for their programs and services increased, and 39 percent say their costs increased.”<sup>21</sup>

### 2G.3 - Recovery Now - Department of Human Services - Food Bank Grants

Marylanders experiencing low to very low food security increased during the pandemic state of emergency. The Food Supplement Program caseload increased by 25%. While stimulus payments offered temporary relief to low-income Marylanders, through the end of June 2021, demand for food supplements remained elevated. Fiscal year 2022 data will be available shortly.

Food Supplement Program Active Cases by Date

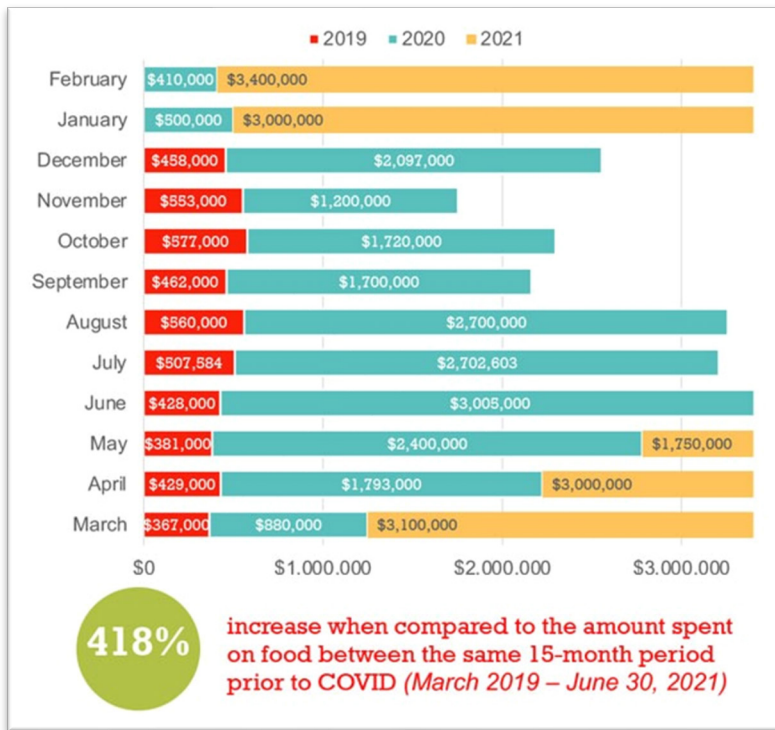


To further support food security, this SLFRF project provided funds to the [Capital Area Food Bank \(CAFB\)](#) and the [Maryland Food Bank \(MFB\)](#). The CAFB delivers food to nonprofit food assistance partners, or in some cases through direct distribution to the community, in Prince George’s and Montgomery Counties. The MFB services all other parts of Maryland. MFB works with a network of community and organizational partners including food pantries, soup kitchens, shelters, and faith-based organizations that serve food-insecure Marylanders.

The Maryland Food Bank supports roughly 350 partners statewide that collectively provide nearly 1,450 distribution points with much-needed food for their local communities. In the first 16 months of the pandemic, the Maryland Food Bank saw an eighty-eight percent (88%) increase in the amount of food distributed. It provided more than 66 million meals, nearly 80 million pounds of food. Combined with rising costs, the Maryland Food Bank experienced a 418% increase in dollars spent.

<sup>21</sup> [https://cep.org/wp-content/uploads/2021/06/CEP\\_Persevering-through-Crisis\\_2021.pdf](https://cep.org/wp-content/uploads/2021/06/CEP_Persevering-through-Crisis_2021.pdf)

*Maryland Food Bank Dollars Spent*



The Department of Human Services (DHS) released 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.

[Distribution of food bank funding through 6/30/21](#)

**Use of Evidence**

The United States Department of Agriculture, [Food and Nutrition Service](#) recognized food insecurity was exacerbated by the pandemic. One example of the need to address food insecurity is to ensure children are able to focus and succeed in school. According to the National Education Association, “the Food Research and Action Center (FRAC) and U.S. Centers for Disease Control and Prevention (CDC) emphasize the importance of good nutrition in children when it comes to performing well in school.”<sup>22</sup>

<sup>22</sup> <https://www.nea.org/student-success/smart-just-policies/funding-public-schools/nutrition-programs>

## **2G.4 - Recovery Now - Maryland Department of Emergency Management - Volunteer Fire Department and Rescue Squad Grants**

The [Maryland Department of Emergency Management \(MDEM\)](#) provided grants to volunteer fire departments and rescue squads that had lost revenue due to COVID-19 and had not received other relief from sources such as county, federal, or other state aid. Ten work group meetings were held regarding the application process and related matters. Applications were disseminated to each county fire/rescue association on Wednesday March 10, 2021. The application review process commenced March 28, 2021. Through May 1, 2021, 180 fire and emergency medical services (EMS) applications have been received for consideration of funding. Estimated losses reported by the applicants total \$11,634,867. Payments to departments coordinated by the Maryland Military Department Finance Office commenced in early to mid-July.

[Allocation of grants by county and department.](#)

## **2G.5 - Residential Treatment Centers**

This Maryland Department of Health project issued grants to support the four (4) in-state Residential Treatment Centers to assist in covering costs due to lower occupancy rates during the pandemic. The funding is used to offset losses experienced or expenditures realized between the onset of the COVID-19 pandemic through the end of the grant period.

Residential Treatment Center provider rates are cost settled each year and are subject to an Upper Payment Limit test - meaning the payment rate cannot exceed actual costs. Financial assistance in the form of a higher Medicaid rate does not help the providers. These additional Medicaid dollars would only be collected back from the providers. This is because the Upper Payment Limit Test does not allow the spread of costs to only occupied beds. The state utilized SLFRF so that it would not factor into the Upper Payment test.

## 2H – Job Training

Project ID	2H
Project Name	Job Training
Budget	\$91,982,844
Expenditure Category	2.10 - Assistance to Households: Assistance to Unemployed or Underemployed Workers (e.g., job training, subsidized employment, employment supports or incentives)

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
2H.1	Apprenticeship and Employment Training Program	\$75,000,000	\$37,500,000	More Than 50% Complete
2H.2	Recovery Now - Department of Labor - Local Workforce Development Boards	\$7,000,000	\$3,830,913	More Than 50% Complete
2H.3	Community Colleges - Maryland Higher Education Commission	\$8,782,215	\$8,472,385	More Than 90% Complete
2H.4	Recovery Now - Maryland Higher Education Commission - Baltimore City Community College	\$1,200,629	\$1,200,629	Completed

### Project Description

This project contains 4 subprojects that all provide assistance to unemployed or underemployed workers. Its shared outcomes are to engage Maryland residents who have lost their jobs or have been otherwise negatively impacted by the pandemic with employment, training, skills development, and education opportunities.

2H.1 - Apprenticeship and Employment Training Program

2H.2 - Recovery Now - Labor - Local Workforce Development Boards

2H.3 - Community Colleges - MHEC

2H.4 - Recovery Now - MHEC - Community Colleges - Baltimore City Community College

## **2H.1 - Apprenticeship and Employment Training Program and 2H.2 - Recovery Now - Department of Labor - Local Workforce Development Boards**

These subprojects support [Local Workforce Development Boards \(LWDBs\)](#) for engagement with individuals impacted by the COVID-19 pandemic to connect them to new employment or transition to a new career through training, skill enhancement, apprenticeship, and related educational opportunities.

### **Project Activities**

Baltimore City has developed a comprehensive economic recovery strategy with its ARP funding. The attached graphic illustrates the different strategies and the number of residents to be served with both state and local ARP resources. In summary:

- Hire Up provides immediate job placement assistance to residents impacted by covid through transitional employment and assists with permanent placement following the subsidized positions.
- Train Up provides occupational training that leads to an industry-recognized credential to residents impacted by covid.
- Grads2Careers also provides occupational training that leads to an industry credential but is focused on high school seniors not intending to immediately attend college.
- Apprenticeship is an obvious tried and true workforce strategy that provides “earn and learn” skill development opportunities to residents impacted by employers. We are in close partnership with MD DOL to incentivize employers to either start a new apprenticeship or increase the size of an existing one.
- Wage subsidy for small, minority- and women- owned businesses provides a financial incentive for businesses impacted by covid to hire or rehire city residents who were impacted by the pandemic.
- The rideshare transportation pilot, “Let’s Ride to Work,” provides transportation assistance to residents impacted by covid to get to and from work.

Frederick County Workforce Services provides training and employment services to residents of Frederick County who were economically impacted by the COVID-19 pandemic.

Two Bio-health Boot Camp trainings were supported to address both the impacts of public health and the need for talent in that industry. Candidates selected for the Biohealth Bootcamp had to meet the economic impact criteria to fund their training. The application and selection process is a partnership among the local workforce area, Frederick Community College (the training provider), and the City and County Offices of Economic Development.

The Lower Shore Workforce Alliances will prioritize training-to-work programs that address the need for upskilling job seekers or new and incumbent employees. These programs seek to provide relief to industries suffering from the labor gap created by the recent COVID-19

pandemic and its aftermath. Additionally, all projects aim to improve the career trajectories of their participants while easing the negative impact of the pandemic. Examples include:

a. MAC’s Caregiver Advantage Workforce Development Program (CAWDP): This program proposes to address the shortage of trained entry-level caregivers in response to the COVID pandemic and rise in staffing shortages among in-home and congregate care facilities. MAC will provide four six-week training cycles with experiential job shadowing for a minimum of 10 persons per cycle totaling a minimum of 40 individuals annually. Participants would further be supported with job placement and coaching for six months following the completion of the six-week course.

b. TidalHealth Nursing Assistant Training Program: This project helps workers acquire medical training without incurring a loss of income traditionally associated with existing programs in the area. The on-the-job training program offers to upskill new and incumbent workers to address both the labor shortages in the healthcare industry and the financial pressures that workers have been experiencing since the onset of the COVID-19 pandemic. It will be a 6-week educational plan in which students are introduced to employment opportunities in healthcare. Students will have the opportunity to obtain Certification as a Nursing Assistant (CNA) and Geriatric Nursing Assistant (GNA), which is coordinated and approved by the Omnibus Budget Reconciliation Act of 1987 and the Maryland Board of Nursing

c. Vehicles for Change (VFC) — Full Circle Auto Mechanic Training and Placement Program: The VFC program will train individuals, many who have been recently released from prison, with multiple barriers to employment to become auto mechanics.

d. Wor-Wic Community College — Continuing Education Workforce Development expansion to develop and offer new courses, provide scholarships to help train entry-level and incumbent workers, and create a Skilled Trades Coordinator and Skilled Trades Associate position. The focus will be to create a ready and proficient workforce for careers in Electrical, HVAC, Manufacturing, Plumbing, Water and Wastewater Treatment, Welding, and Metal Fabrication.

### The Montgomery County Workforce Development Board

Upskill MoCo is designed to provide funding for professional development, occupational, and entrepreneurial skills training for individuals impacted by the Covid-19 pandemic. The program will support training endeavors for impacted residents who may not qualify or wish to enroll in other (federal & state) programs e.g., Workforce Innovation & Opportunity Act (WIOA). Upskill MoCo will ensure that any unemployed or underemployed resident is able to receive support for occupational & entrepreneurial skills training. Examples of training options include the Bio Bootcamp, IT Bootcamps, and other programs not listed on the state’s Eligible Training Provider List.

Additionally, Upskill MoCo Worksource Montgomery (WSM) will launch the SkillUp® Montgomery virtual platform in February 2022. The platform is available to all Montgomery County residents through the Metrix Learning® platform. SkillUp® Montgomery offers value to

both residents and businesses. For Jobseekers, the platform offers FREE and UNLIMITED access to more than 5,000 high-quality online training courses for 180 days (6 months). Key Features include Integrated assessments; 5,000+ Workplace Skills/Business/IT courses; 10 Career Pathways, 200 Occupations; 300+ Skill Tracks; 100+ Certification Training Tracks; FREE digital badges & certificates of completion. For local employers, WSM has made some of the features of the Metrix Learning® System available. Employers will have cost-free access to assessments, online skill training, and cost-effective programs for 130+ industry-recognized certifications from anywhere with internet access, 24/7.

The Workforce Recovery Network (WRN) provides funding to support/expand local community-based organizations that provide employment and training services to individuals negatively impacted by the pandemic. Additionally, the programs may also serve those who are: low-income, have criminal backgrounds, have disabilities, homeless, Veterans, English language learners, youth, or have other barriers to employment. Programs and services targeting individuals in Montgomery County's extreme poverty rate census tracts as well as the communities near the pending Purple Metro Line corridor are also encouraged to apply for WRN funding.

As Montgomery County businesses attempt to rebound from the negative effects of the pandemic, to include The Great Resignation, WSM has committed significant ARP resources to support small and minority-owned businesses.

WSM recognizes the fiscal impact for employers who are laboring to fill multiple vacancies, train inexperienced staff, develop employee retention methods and innovative incentive strategies. As a result, GROW was implemented to financially support local and minority-owned businesses striving to achieve pre-pandemic revenue levels.

GROW provides grants to cover 50-75% of a new employee's wages for the first twelve (12) weeks of employment. Among other criteria, applicants are required to engage with Montgomery County's public workforce system via Maryland Workforce Exchange to recruit and hire unemployed and underemployed Montgomery County residents. Applicants are also required to demonstrate their Covid-19 hardship through detailed narrative, estimated revenue loss, and pandemic related lay-offs (or closures).

In October 2021, WSM expanded employment and training services for out-of-school youth and young adults. Specifically, our contractor will serve individuals between the ages of 16-24 years old who have been negatively impacted by the Covid-19 pandemic.

In addition to serving those adversely affected by the public health crisis, the program is designed to reach individuals who are one or more of the following: low-income, homeless, pregnant and/or single parent, disabled, ex-offenders, English learners, public assistance recipients, or basic skills deficient.

The Prince George's County Workforce Development Board has taken a data driven approach to proactively impact the economic challenges experienced by county residents and businesses as a result of COVID-19. Our strategy includes the following projects:



Apprenticeship Innovation Program (AIP) - Program designed to operate as an Apprenticeship Intermediary with the goal of increasing the number of apprenticeships in Prince George's County and the number of Prince George's County residents in apprenticeships. AIP formally launched its partnership with the Maryland Multi-Housing Association (MMHA) to support a training program in the multi-housing industry as service team professionals. Students learn basic carpentry, electrical appliance repairs, plumbing and HVAC skills. The goal is that MMHA will eventually have a registered apprenticeship and this training program will convert into a pre-apprenticeship.

Covid-19 Workforce Development Recovery Program – Program designed to engage job seekers and businesses negatively impacted by Covid-19, and help them overcome negative impacts through various programming, including traditional workforce development programming, the Prince George's County Hourly Employee Relief Fund (HERF) and the Rapid Re-Employment Grant initiative.

Rapid Re-Employment Grants (RREG) – EPG utilized Prince George's County ARP funds to relaunch its Covid-19 Rapid Re-Employment Grant initiative. The RREG initiative launched in September and by the close of June 30, 2022 EPG had disbursed 187 grants to 183 businesses, totaling \$4,560,310.50, and 576 job placements of unemployed Prince George's County residents. The initiative, a program element of the Covid-19 Workforce Development Recovery Program, operates using a braided funding model of Maryland Department of Labor and Prince George's County ARP funds.

The Susquehanna Workforce Network, Inc. (SWN) will provide employment and training services, including apprenticeships, to assist regional residents and businesses who were negatively impacted by the COVID-19 pandemic and have experienced a loss of economic and employment opportunities. Eligible residents will include unemployed, underemployed, area residents who dropped out of the labor force, youth 16 – 24 and adults who engaged in virtual or hybrid learning, members of low and moderate income households, residents that live in an area of concentrated poverty and essential workers in the following occupations during the period March 2020 to present: staff of nursing homes, hospitals and home care settings, workers at farms, food production facilities, grocery stores, restaurants, janitors and sanitation workers, truck drivers, transit staff, warehouse workers, public health and safety staff, childcare workers, educators and other school staff, social services and other human services staff and other workers impacted by the pandemic.

The Western Maryland Consortium is working with partner agencies on the Poverty Alleviation Plan. The pandemic has exacerbated the situation by flooding an already overloaded system with many new programs and people to serve. Working with Circles, USA, which is an anti-poverty initiative with 80 chapters across the U.S and Canada.

Other local elements under ARP:

- Apprenticeship Programs– Working with the business and students to be part of Apprenticeships with the in-school youth.
- Occupational skills training, on-the-job training -incumbent Workers training

- Summer Work Experience for Youths impacted by the pandemic
- Financial Literacy – Recovery Houses

### **Equity Related Activities**

The Benchmarks of Success is a shared vision for Maryland’s Workforce System. These strategic goals are focused on increasing the earning capacity of Marylanders by developing a system responsive to the needs of Maryland’s jobseekers and businesses. As a partner, Maryland’s local workforce development boards have collaborated with the Maryland Department of Labor in the development of the benchmarks.

*Benchmarks of Success* is a leadership tool that reflects a shared vision of excellence among the state’s workforce system partners – five strategic goals are organized around an overall vision to increase the earning capacity of Marylanders...

- By maximizing access to employment,
- By maximizing access to and use of skills and credentialing,
- By maximizing access to and use of life management skills,
- By eliminating barriers to employment using supportive services, and
- By strengthening and enhancing the effectiveness and efficiency of the workforce system.

Baltimore City was disproportionately impacted by COVID and the economic downturn that resulted. Baltimore’s unemployment rate jumped to over 12% and disrupted the city’s economy. The number of residents filing for unemployment increased by nearly 18,000 between February and March of 2020. These challenges, among others, formed the basis for the city’s economic recovery strategy that included targeted initiatives to return residents to work quickly (Hire Up), skill them up (Train Up, G2C, and Apprenticeship), and increase access to services (Community Job Hubs and mobile career navigators). It is also why our strategy included intentional support such as legal assistance and behavioral health support that are embedded throughout the approach.

On the Lower Shore, all of the projects serve impacted and disproportionately impacted populations. These include individuals, families, and employers who are impacted by poverty, incarceration, unreliable transportation, a lack of access to workforce training, a lack of access to health care, computer illiteracy, and a lack of workforce qualifications.

Montgomery County has opted to focus on serving Disconnected Youth, English Learners, Dislocated Workers, Small and Minority-Owned Businesses, Homeless Residents, Ex-Offenders, Immigrants, Low-Income Households, Women, etc. All populations that are part of the disproportionately impacted sectors in the workforce in Maryland and nationally.

The Prince George’s County Workforce Development Board targeted individuals who want and are available to work, including unemployed individuals who have sought work within the last twelve months. More specifically, the project is serving the following demographic populations of Prince George’s County Residents who are facing economic challenges as a result of the pandemic:

- Older Workers, 55+

- Female, Black, Hispanic and Latino workers
- Returning Citizens
- Limited English Proficiency

Western Maryland is working with partner agencies on the Poverty Alleviation Plan. The pandemic has exacerbated the situation by flooding an already overloaded system with many new programs and people to serve. Working with Circles, USA, which is an anti-poverty initiative with 80 chapters across the U.S and Canada.

### **Community Engagement Related Activities**

Anne Arundel Workforce Development (AAWDC) has several satellite locations located in low-income areas in Anne Arundel County including Brooklyn Park, Freetown, Fort Meade, and Annapolis to provide services and be more accessible to individuals in their own communities. Many of the individuals in these communities have significant barriers that prevent them from gaining and maintaining employment. Access to childcare and reliable transportation are two of the most identified barriers that individuals disclose. AAWDC utilizes ARP funds to assist these individuals that traditionally work in industries that were impacted by the pandemic.

Baltimore City has formed strong partnerships with community organizations that serve residents with barriers to services. Nearly \$3 million in state ARP funds support eleven community-based organizations that will provide occupational training. These occupational training providers are formally linked to Community Connectors which serve as neighborhood-based on-ramps to work for jobseekers. Our partnership with Community Connectors strengthens the workforce development infrastructure at the neighborhood level and expands systems coordination, outreach, recruitment, and job readiness training for residents with significant barriers to employment. The city will support additional community organizations through Grads2Careers. Finally, the Community Job Hub program offers to support neighborhood organizations by offering to co-locate workforce services at no charge.

Worksource Montgomery (WSM) has engaged in a Measurable Equity initiative with a goal that All Montgomery County Residents will have career pathways that lead to equitable and sustainable economic mobility. This action statement, while simple and broad, requires WSM to operate in a data-driven high-impact space as it pertains to strategy formulation and program implementation. WSM believes this approach is necessary to create sustainable change and progress for all Montgomery County Residents—especially those from low-income under-resourced communities.

WSM also created the Workforce Recovery Network (WRN). The WRN provides funding to support/expand local community-based organizations that provide employment and training services to individuals negatively impacted by the pandemic. Additionally, the programs may also serve those who are: low-income, have criminal backgrounds, have disabilities, homeless, Veterans, English language learners, youth, or have other barriers to employment. Programs and services targeting individuals in Montgomery County's high poverty rate census tracks as well as the communities near the pending Purple Metro Line corridor are also encouraged to apply for WRN funding.

WRN funding supports expansion of existing services such as recruitment, assessment, case management, training, placement, subsidized employment, internships, and supportive services. The WRN is designed to be flexible and encourage new ways of offering programs and serving under-resourced individuals in Montgomery County. Funding should fill in gaps brought to light by the pandemic, address issues magnified because of the pandemic, and/or expand innovative ideas piloted during the pandemic.

The Prince George's Workforce Development Board is using a data driven strategy to ensure ARP funds are designated for Prince George's County residents most in need as a result of the COVID-19 pandemic. The Workforce Board partnered with National Association of Workforce Boards (NAWB) to create an interactive map of the Qualified Census Tracts that represent the households in the county that are most in need. The team uses this information to plan outreach events, community engagement activities and job fairs in these areas so they become accessible. Additionally, the EMSI Skills Report revealed that "only a few career areas with above average earnings employ an above average share of female, Black, Hispanic and Latino Workers. Results show that most in-demand skill clusters have low-earnings, whereas employer demand is variable for skill clusters with higher earnings." This valuable labor market information is driving our Business Advisory Councils (BAC's) to focus on aligning our program structure and offerings to be inclusive of these underrepresented populations.

Southern Maryland's (SOMD) ARP Program joined forces with several partner agencies (WIOA, Veterans, Re-entry, SCEP, MD Labor) to create an outreach task force team designed to reach the underserved populations. This outreach team has begun to saturate the regional community events each month, connecting with hundreds of our SOMD residents. Our ARP Program information has been shared with all our community partners in the region and goes out to over 13,000 unemployed residents weekly.

Funds available through the ARP grant allow Susquehanna Workforce Network to do additional outreach and community engagement to assist impacted and disproportionately impacted individuals recover from the negative economic impact of the COVID-19 pandemic. Individuals reached through this grant, including individuals of low- and moderate-income households, those with other significant barriers to services, and other harder to reach groups will be able to access workforce and career services to increase their quality of life.

The Upper Shore Investment Board (USWIB) has connected with the Black African American Males (BAAM) in Easton to offer scholarships for applicants as they build out a soft skills program serving this group with significant barriers to employment. USWIB has developed relationships with the local Department of Social Services (DSS) in all five counties to obtain referrals from non-SNAP eligible customers under an MOU on the Upper Shore).

### **Use of Evidence**

Baltimore City's Train Up provides sector-based occupational training, a model with a substantial research base that shows they offer significant benefits to employers, jobseekers, and local economies. They lead to higher earnings, greater likelihood of employment, a greater number of working hours, and greater likelihood of working in a job with benefits. They also reduce disparities affecting Black jobseekers and workers. See the following studies for example:

*Why Do Sectoral Employment Programs Work? Lessons from WorkAdvance* (Lawrence Katz et al., 2021):

[https://scholar.harvard.edu/files/lkatz/files/krhs\\_sectoral\\_jole\\_final.pdf](https://scholar.harvard.edu/files/lkatz/files/krhs_sectoral_jole_final.pdf)

*Tuning In to the Local Labor Markets: Findings from the Sectoral Employment Impact Study* (Public/Private Ventures, 2010): <https://ppv.issuelab.org/resources/5101/5101.pdf>

*Systems Change in the National Fund for Workforce Solutions* (Lisa Soricone, 2015): <https://nationalfund.org/wp-content/uploads/2016/10/Systems-Change-in-the-National-Fund-120415.pdf>

Train Up is modeled on a previous Baltimore initiative funded with federal funds as a result of the Freddie Gray incident and required an evaluation as part of the USDOL funding.

*Changing Systems, Changing Lives: Evaluation of One Baltimore for Jobs: Job Opportunities for Disconnected Young Adults* (Kingslow Associates, 2018):

<https://assets.aecf.org/m/resourcedoc/kingslow-evaluationofonebaltimoreforjobs-2018.pdf>

The value of apprenticeship, a key element of the Maryland's workforce strategy, is a proven workforce development program and is supported by a paper from the Urban Institute:

*The Power of Apprenticeships* (Sarah Rosen Wartell, 2019):

<https://www.urban.org/evidence-and-ideas-for-change/power-apprenticeships>

The need to focus efforts on young adults as they graduate high school is supported by evidence described in this paper by Baltimore's Promise, as well as on national research on occupational training for young adults not attending college:

*Gaining Traction after High School Graduation: Understanding the Post-Secondary Pathways for Baltimore's Youth* (Baltimore's Promise, 2018):

<https://www.baltimorespromise.org/psp>

*Benefits that Last: Long-Term Impact and Cost-Benefit Findings for Year Up* (Abt Associates, 2022)

[https://www.abtassociates.com/files/insights/reports/2022/year%20up%20long-term%20impact%20report\\_apr2022.pdf](https://www.abtassociates.com/files/insights/reports/2022/year%20up%20long-term%20impact%20report_apr2022.pdf)

The Prince George's County Workforce Development Board maintains a strong partnership with EMSI Burning Glass to ensure our programs are aligned with the most recent labor market intelligence available. The Workforce Development Board released a Regional Skills Analysis and a Sector Strategy Study to effectively support employers who represent in-demand occupations in this post COVID-19 labor market. Although these are not evidenced based strategies, they are labor market informed strategies, which allow us to effectively develop and adjust programming according to real time data.

In Western Maryland Circles USA has a 25- year history of assisting to move people out of poverty. It has focused on direct poverty alleviation activities that meet the basic needs to

address the crisis and on economic and workforce development solutions that are critical for any poverty alleviation effort to succeed.

**Performance**

People trained and served using ARP funds does not represent the number served by any funding source. For complete performance information, please see the Department of Labor website. At this time, the latest report is the [2020 Workforce Innovation and Opportunity Act \(WIOA\) Annual Report](#). For example, the Maryland Apprenticeship and Training Program (MATP) registered 3,814 new apprentices across the state. 1,396 apprentices graduated from training as journey workers in their various disciplines, including electrical, plumbing, HVAC, information technology, and manufacturing. Local Workforce Development Boards (LWDBs) supported registered apprentices using WIOA funds for 7 impacted workers and for 76 apprentices with ARP funds. LWDBs provided the following statistics about use of ARP funds:

*Employment Following Support from Local Workforce Development Boards*

Job Placements	Adult	Dislocated Workers	Youth
Employment Second Quarter After Exit	925	290	
Employment Fourth Quarter After Exit	103	341	
Median Earnings	\$7,811	\$10,400	\$4,089
Credential Attainment	453	110	344
Measurable Skills Gain	750	338	378

*Skilling Activities*

LWDBs (13)	Number of Individuals Receiving Credential (ARP)	Number of Individuals in a Registered Apprenticeship program (ARP)	Number of Customers Served (ARP)
Anne Arundel	78	0	95
Baltimore City	44	10	240
Carroll County	0	1	100
Frederick County	31	0	31
Lower Shore	TBD	TBD	TBD
Montgomery County	TBD	30	272*
Prince George’s County	6	4	12,777
Southern Maryland	40	2	175
Upper Shore	22	0	55
Western Maryland	45	29	127 participants – 37 businesses
<b>Total</b>	<b>294</b>	<b>76</b>	<b>13,851</b>

\*60 Disconnected Youth; 157 Covid-Impacted Residents; 55 Covid-Impacted Businesses

In addition, each LWDB created locally defined performance measures for their grants because each is diverse and faces different challenges. For example:

*Carroll County Measures*

Description	Customers Served
Career services	100
Entered training	70
Training support services	15
Work-based internship stipends for high school seniors	30

State of Maryland

Description	Customers Served
Started new businesses	5
Training local businesses to on-board, upskill or retain employees.	5
Employees of local businesses that received training	29

*Frederick County Measures*

Description	Customers Served
Total number of adult ARP enrollments	31
Total number of Incumbent Workers Trained	1
Number Enrolled in Training	34
Number of Community College Training	34
Number Completed Training	31
Number Employed after Completing Community College Training	22
Total number of participants in unsubsidized employment	15
Total number of participants in subsidized employment	1
Average hourly rate for unsubsidized employment	\$23
Average hourly rate for subsidized employment	\$19
Unique Number of Business Participating in Professional Development due to COVID impact	46



## **2H.3 - Community Colleges - Maryland Higher Education Commission and 2H.4 - Recovery Now - Maryland Higher Education Commission - Baltimore City Community College**

There is strong evidence that community colleges are critical partners in addressing the skill development needs of employers and workers, and for transitioning quickly from unemployment to employment.

The Maryland Higher Education Commission (MHEC) distributed funding to sixteen (16) community colleges to support the expansion of existing programs, development of new in-demand workforce development training and educational programs, and the marketing of programs to students and community members who are recently unemployed or want to improve their job skills to reenter the workplace. Project highlights include:

- Provide direct aid to students enrolled in credit and non-credit workforce development or continuing professional education courses;
- Fund outreach and marketing to market expanded and new in-demand programs to employers, prospective students, and recently unemployed Marylanders;
- Fund capacity-building initiatives and enhanced ability to deliver training and licensure programs; Expand existing workforce development training and educational programs that lead to an industry-recognized credential, certification, or licensure;
- Develop new in-demand workforce development training programs that lead to an industry-recognized credential, certification, or licensure; and
- Fund indirect costs up to 8%.

Community colleges are in a unique position to respond and adapt to the local community's labor needs and equip job seekers with the skills needed to succeed in those positions. The Maryland Higher Education Commission (MHEC) disseminated applications to all the community colleges in March 2021. Funding of \$10 million was obligated in late March 2021.

The funding to 16 community colleges was allocated proportional to each college's share of total state aid provided under the fiscal year 2021 Education Article of the Maryland Code, §16-305 and §16-512. The Maryland Higher Education Commission provides administrative and technical support to the community colleges.

## 2I – Broadband Services

Project ID	2I
Project Name	Broadband Services
Budget	\$86,000,000
Expenditure Category	2.4 - Assistance to Households: Household Assistance: Internet Access Programs

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
2I.1	Broadband - Digital Navigators	\$2,000,000	\$0	Not Started
2I.2	Broadband - Gap Networks	\$5,000,000	\$0	Not Started
2I.3	Broadband - Tech Extension	\$4,000,000	\$0	Not Started
2I.4	Broadband Dedicated Purpose Account - Device Subsidy	\$30,000,000	\$0	Not Started
2I.5	Broadband Dedicated Purpose Account - Service Fee Subsidy	\$45,000,000	\$4,006,921	Less Than 50% Complete

### Project Description

A [January 2021 report by the Abell Foundation](#) based on the 2019 American Community Survey estimates, showed that up to 23% of Marylanders did not have high-speed, reliable broadband internet access. The pandemic illuminated the importance of broadband to access telemedicine, online education, and government services.

The Office of Statewide Broadband (OSB) was established by Senate Bill (SB66), the Digital Connectivity Act of 2021, and signed into law (CH74) by Governor Larry Hogan in April 2021.

[On August 20, 2021, the governor announced the launch of Connect Maryland](#), a transformative new initiative to supercharge the State of Maryland’s broadband investment with a total new investment of \$400 million to fully address the digital divide.

“The State of Maryland has set an ambitious goal of ensuring universal broadband to everyone in every single corner of the state by no later than 2025, and Connect Maryland is the game-changing initiative that is going to get us there,” said Governor Hogan. “This is just one more shining example that we aren’t just committed to fully recovering from the pandemic, but we are committed to coming back even stronger and better than ever before.”

This SLFRF project provides Broadband Services through five (5) subprojects:

University of Maryland Extension - Digital Literacy and Education to Bridge the Digital Divide

2I.1 - Broadband - Digital Navigators

2I.3 - Broadband - Tech Extension

Department of Housing and Community Development - Disadvantaged Marylanders Subsidy

2I.2 - Broadband - Gap Networks: June 2022 – December 31, 2023

2I.4 - Broadband - Device Subsidy: August 2022 – March 2023

2I.5 - Broadband - Service Subsidy: April 2022 – December 2023 (or until funds are exhausted)

This SLFRF project’s intended outcomes are to ensure all Marylanders have access to necessary online services and support to use them. They are needed to improve the lives of Marylanders and their families.

### **Maryland Broadband Advisory Workgroup**

To ensure that funding is invested in local communities swiftly, Governor Hogan announced the creation of a bipartisan Maryland Broadband Advisory Workgroup, which brings together key stakeholders from across the state. This panel includes representatives from the counties and municipalities, as well as members of the General Assembly, to advise the state on the best ways to utilize this new investment in broadband infrastructure.

- **Construction and Access to Infrastructure:** Ensure that all households have physical access to broadband infrastructure for service
- **Equity:** Ensure that everyone has the financial resources, equipment, and digital skills needed to get online
- **Inclusion:** Ensure that the benefits of the internet and digital technologies are available to everyone

Digital Equity programs focus on prioritizing “covered populations” / communities who are most in need:

- individuals who live a household with income less than or equal to 200 percent of [federal poverty level](#)
- aging individuals
- individuals with disabilities
- individuals with a language barrier
  - English learners
  - Those with low levels of literacy
- minority populations
- rural populations

NOTE: SLFRF Broadband Capital Projects are located later in this document in Expenditure Group 5. This broadband project, 2I, is for broadband services in Expenditure Group 2 - Reducing Negative Economic Impacts.

## **2I.1 - Broadband - Digital Navigators and 2I.3 - Broadband - Tech Extension**

The [University of Maryland Extension \(UME\)](#) administers the Digital Navigators and Tech Extension projects to teach people how to use the internet and digital literacy. On May, 24, 2022 UME announced the following:

To help satisfy the demand for future web access, University of Maryland Extension (UME) has received \$6M as part of a \$300M statewide package to develop and adapt curriculum, train, and support an increase in digital literacy, access, and navigation.

There is a new sense of urgency from Maryland legislators to empower connectivity, with UME at the forefront of the effort. The three core components of this statewide project are broadband infrastructure and deployment and rural broadband and digital connectedness, affordability including funding for broadband service fees and devices, and adoption. UME will focus specifically on the adoption component, with \$4M available for training, competency, and education initiatives, and \$2M to help people sign up for access and acquire a device.

Following a close examination of the Abell Foundation’s recent report on digital connectedness, UME faculty discovered that the digital divide in Maryland disproportionately affects residents in Baltimore City and rural counties, low-income residents, and people of color specifically Black, African-American, Latinx, and older individuals. UME will cater their efforts specifically towards those audiences.

“The digital divide disproportionately affects Marylander’s learning, work, access to service, civic engagement, and living. We are seeing some of the lowest subscription percentages in urban areas like Baltimore City and rural communities.” said Jim Hanson, professor and associate dean/director for UME. “There are also low levels of digital literacy with many individuals not seeing the means for connectivity. Through this generous funding from the state, we will mobilize a tech-education division to provide the training, support, and curriculum development to help increase adoption, understanding, and comfort.”

According to UME project leader Jinhee Kim, the project's first phase will emphasize stakeholder surveys and interviews to better understand community needs, with participation from the statewide Office of Broadband, Maryland Rural Council, and also the university's School of Information Studies because of their unique connection to the library system. In rural communities, library computer stations are major points of web access for residents making partnerships with libraries an essential component of this plan.

"Digital literacy is an important part of our digital inclusion efforts," said Kenrick Gordon, Director of Statewide Broadband at the Maryland Department of Housing and Community Development. "Without providing a firm understanding of how to access the internet and what it can be used for, we will fail in our efforts to ensure that all Marylanders have access to, understand and are able to utilize broadband."

"The survey and needs assessment phase is critical, otherwise we may miss accessibility or adoption issues that apply to a large group of people," explained Kim. "UME wants to meet community members at their comfort level, allowing them to further their education and information gathering abilities through seamless broadband access."

In subsequent phases, UME will use the \$4M to develop curricula that are social, cultural, and linguistically appropriate; provide training and support for instructors and trainers, volunteers, peers, family members, and residents; create an online digital literacy repository; and develop digital literacy partnerships with government agencies, libraries, workforce agencies, nonprofits, businesses, and many others.

The \$2M will be directed toward improving digital navigation including home connectivity, devices, and digital skills; assisting community residents with resources on affordable broadband access and devices; and providing basic technical support, like how to connect to WIFI, to enhance digital access.

"The question isn't how much it'll cost to bridge the digital divide, the question is how much will it cost if we don't act right now," State Senate President Bill Ferguson (D-Baltimore City) said at a press conference to announce the funding. "Who will be left out of the opportunities of today and tomorrow if we don't have urgency around this issue?"

Program performance measures will include:

- Targeted zip codes/census tracts for marketing efforts
- Engagement of those currently working on the issue
- Expansion of entities working on digital literacy issues
- Additional output and outcome measures will be established

**2I.2 - Broadband - Gap Networks, 2I.4 - Broadband - Device Subsidy, and 2I.5 - Broadband - Service Subsidy**

Gap Networks Grants – These grants fund the construction, expansion, and upgrade of local internet networks that provide a no-cost / very low cost option to its residents. These networks are designed to directly address the affordability challenge that low income households face in subscribing to internet service. The grants help communities to close gaps in service for improved broadband access (available), adoption (subscribed), and utilization (digital literacy).

Program	Connected Communities (Gap Networks) <sup>23</sup>
Timeline	June 2022 – December 31, 2023
Status	3/31/22 - Applications Received
Available Funding	\$5 million
Grant Amount	\$25,000 to \$250,000
Number of Applications	46
Amount Requested	\$6,800,000
Project Totals	\$10,024,526

Device Subsidy - Maryland’s Devices Program is intended to provide internet accessible devices to families who are most in need.

Program	Device Subsidy
Timeline	April 2022 – December 2023
Status	In development
Applicant	Local jurisdiction or nonprofit
Available Funding	\$30 million; DHCD to purchase and provide devices
Grant Amount	Per unit dependent on demand
Results	Distribute an estimated 150,000 devices.

<sup>23</sup> Maryland Broadband Advisory Workgroup; May 3, 2022; Retrieved from: <https://dhcd.maryland.gov/Broadband/Documents/OSB-Funding-Advisory-Workgroup-3rdmeeting.pdf>

Service Subsidy - The Maryland Emergency Broadband Benefit (MEBB) provides a discount of up to \$15 per month toward internet service for eligible households. To receive assistance, a household must already be approved for service under the Federal Communications Commission’s Affordable Connectivity Program (ACP). The federal program provides a discount on internet service of up to \$30 per month; when combined with state assistance, households can receive a discount of \$45 per month for up to 12 months.

Program	Maryland Emergency Broadband Benefit (MEBB)
Timeline	August 2022 – March 2023
Status	Ongoing
Applicant	ISP on behalf of subscribers
Available Funding	\$45 million to provide \$15 per month service subsidy
Grant Amount	Dependent on enrolled households: 191,998 households currently receiving subsidy
Results	\$15,834,160 encumbered; \$2,466,847 expended

The Office of Statewide Broadband has met with elected leaders (creation of a taskforce) to facilitate discussions and gauge their feedback on broadband service offerings and future needs. The office has also met multiple times with local community organizations to better understand their needs and the impacts their programs have on the communities they serve. The digital equity programs have been designed to assist those communities directly. The Gap Networks program encourages partnerships and the following organizations to apply:

- local government (Counties & Municipalities); or
- a foundation, corporation, institution, association, or coalition that is— (i) a not-for-profit IRS approved 501(c) entity and (ii) providing services within the State of Maryland; or
- a community based anchor institution; or
- other community based organizations

As we emerge from the impacts of the pandemic, broadband adoption plays perhaps the most pressing role in internet accessibility.

**Equity Related Awareness, Access, and Distribution**

What often stands in the way of connectivity are roadblocks to broadband adoption, be it language barriers, lack of knowledge of available options, lack of a device capable of connection, privacy concerns and more. This is where community partners like internet service

providers (ISP) play an important role. They know and work directly with their constituents, having earned the trust of the people they serve. The office has partnered with multiple ISPs to bring awareness to Maryland’s communities whether through mailings or video advertisements.

Our programs are built to provide both an equitable and inclusive awareness to communities and those eligible households. The versatility of our awareness and access ensure that all possible measures of distribution are accounted for. For example, DHCD has worked with ISPs on providing advertisements online and on TV, and has partnered with local community organizations to post flyers in their facilities and multi-dwelling units.

### **Equity Related Outcomes**

It is vital that all Marylanders experience the long-term benefits of internet capable technology using a sustainable approach across the state and at local levels. This outcome can be achieved by developing a measurable platform such as our “digital equity scorecard”, enhancing upon the technological capacities of our community organizations, and collaborating and forming partnerships with key stakeholders.

### **Use of Evidence**

- **Device Subsidy:** According to the U.S. Census Bureau’s American Community Survey, approximately 287,000 Maryland households have neither a tablet nor a desktop/laptop computer. Some 200,000 are households whose annual incomes are below \$50,000. The state assumed an approximate device cost of \$150 to determine the total allotment ( $\$150 \times 200,000 \text{ households} = \$30 \text{ million}$ ).
- **Service Fee Subsidy:** According to the U.S. Census Bureau’s American Community Survey, in 2019 approximately 500,000 Maryland households qualified for the federal Lifeline program or the National School Lunch Program. The state is aiming to address a sizable portion of these households (at least half) and assumed an approximate service cost of \$15 per month to determine the total allotment ( $250,000 \text{ households} \times \$15 \text{ service fee} \times 12 \text{ months} = \$45 \text{ million}$ ). The combination of all the state’s broadband projects will work toward addressing the issue for the full 500,000 households.

### **Performance**

#### [Office of Statewide Broadband Dashboard](#)

- **Device Subsidy:**
  - Recipients (households) and funding by zip code/census tract
  - Recipient demographic info (e.g., race/ethnicity, income level, etc.)
- **Gap Networks:**
  - Recipients (providers) and funding by zip code/census tract



- **Service Fee Subsidy:**
  - Number of recipients (households) and funding by zip code/census tract
  - Recipient demographic info (e.g., race/ethnicity, income level, etc.)

Most of the projects have not started or are just getting underway. However, with almost 350,000 households qualifying for federal internet subsidy, our office will utilize this number as a hard target for participation. Maryland currently has 160,000 households participating in the federal program. Our goal is to have this at 80% by the end of 2023 through awareness campaigns. While the office will not track specific demographics (race, age, sex etc.) we utilize address level data with census tract information to better understand end users.

Service Subsidy – Number of households participating target (350,000)

Device Subsidy – Number of households served target (~200,000)

## 2J – Unemployment Insurance Payments to Individuals

Project ID	2J
Project Name	Unemployment Insurance Payments to Individuals
Budget	\$40,237,000
Expenditure Category	2.9 - Assistance to Households: Unemployment Benefits or Cash Assistance to Unemployed Workers

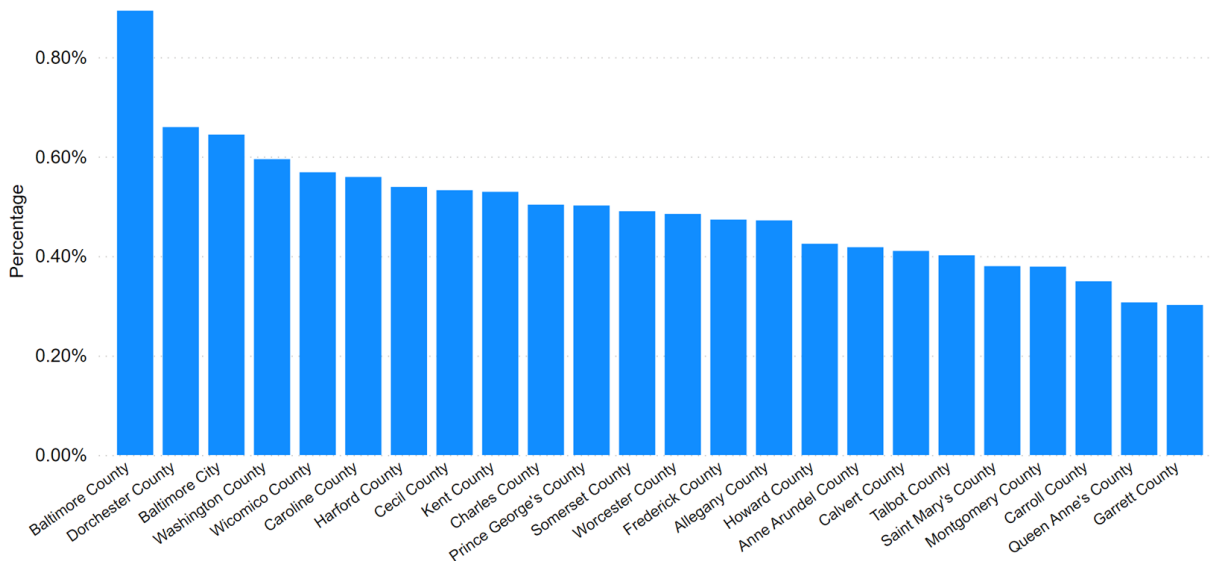
### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
2J.1	Recovery Now - Pending Unemployment Insurance (UI) Claim Payments	\$40,237,000	\$40,237,000	Completed

To stabilize Maryland households that experienced unemployment during the pandemic, the Comptroller’s Revenue Administration Division in collaboration with the Department of Labor, administered \$1,000 grants to individuals whose claim for unemployment benefits was pending a determination of eligibility and in adjudication for at least 30 days.

The Department of Labor posted a message to its website explaining the grant to the public. Grants were distributed March 3rd through July 6, 2021. The following chart illustrates the percentage of the population that received funds by jurisdiction. [Distribution Status by Zip Code](#) is also available for reference.

Percentage of Population that Received SLFRF for Unemployment Insurance Cases in Suspense



## 2K – Unemployment Insurance to the Trust Fund

Project ID	2K
Project Name	Unemployment Insurance to the Trust Fund
Budget	\$900,000,000
Expenditure Category	2.28 - Assistance to Households: Contributions to UI Trust Funds

**Financial Summary**

ID	Subproject Name	Budget	Expenditures	Status
2K.1	Administrative Support for UI Trust fund	\$70,000,000	\$0	Completed
2K.2	Unemployment Insurance (UI) Trust Fund	\$830,000,000	\$830,000,000	Completed

October 4, 2021, [retrieved from Ernst and Young's U.S. Edition Tax News Update](#):

The 2021 Legislative Session enacted emergency legislation ([SB 811](#)/Chapter 73) requiring that Governor Hogan deposit enough federal relief funds into the state's unemployment insurance (SUI) trust fund to ensure that Rate Schedule C, the midway point of SUI rate schedules under the state UI law, be in effect for calendar year 2022. The bill also requires that Rate Schedule C be used for the calendar year 2023. SUI tax rates on Rate Schedule C range from 1.0% to 10.5%. ([Governor's news release](#))

The law requires Governor Hogan to include in the fiscal year 2022 annual budget bill an appropriation of federal American Rescue Plan (ARP) funds sufficient to replenish the SUI trust fund to the point resulting in Table C for calendar 2022. The appropriation may also be used for administrative costs, including the repayment of the federal unemployment insurance (UI) loan balance. The Hogan Administration previously estimated that \$1.1 billion in federal funds would need to be allocated to the UI trust fund to accomplish this goal. (SB 811 fiscal note)

### **2021 SUI tax rates increased from lowest rate schedule to highest rate**

Rate Schedule F, the highest per law, is in effect for calendar year 2021. Due to the enactment of the Relief Act ([SB 496/CH39](#)), Governor Hogan's [Executive Order 20-12-10-01](#) requiring that the 2021 SUI tax rates not be based on individual employer experience for fiscal year 2020 was codified. Although the computation of employer individual SUI tax rates did not take into account COVID-19 UI benefits for fiscal year 2020, the overall historic impact on the state's UI trust fund caused a significant increase in 2021 employer SUI tax rates. (See EY Tax Alert [2021-0427](#), 2-25-2021.)

The Maryland 2021 SUI tax rates range from 2.2% to 13.5% on Table F, up from 0.3% to 7.5% on Table A (the lowest rate schedule). Table A had been in effect for five consecutive years prior to 2021. ([Maryland Department of Labor website](#).)

See the Department's [website](#) for frequently asked questions about the executive order and the governor's website for more information on the [Relief Act](#).

### **Employers not charged with COVID-19 UI benefits until state of emergency ended on July 1, 2021**

Employer accounts have not been charged with regular COVID-19 UI benefits during the COVID-19 state of emergency. Governor Hogan [announced](#) that the state of emergency ended as of July 1, 2021. ([Executive Order 21-06-15-01](#).)

According to the federal Treasury Direct website, as of September 27, 2021, Maryland paid off its federal UI loan balance by using ARP funding as allowed under SB 811. Assuming the state does not borrow again, it has avoided the federal unemployment insurance tax (FUTA) credit reduction that was set to trigger in 2022.

In the fall of 2020, the Maryland Chamber of Commerce made the replenishment of Maryland's Unemployment Insurance Trust Fund a priority, as the balance of the fund became more precarious due to the impact of COVID-19. In addition to placing a strain on the payout of benefits to struggling workers who are in need of unemployment benefits, depletion of the trust fund balance would have forced Maryland employers to face significant unemployment insurance tax increases in future years.

## 2L – Affordable Housing

Project ID	2L
Project Name	Affordable Housing
Budget	\$10,150,000
Expenditure Category	2.15 - Assistance to Households: Long-term Housing Security: Affordable Housing

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
2L.1	Project HOW	\$10,150,000	\$0	Not Started

### Project Description

Homeownership Works (HOW) is a pilot program focusing significant investment in concentrated residential areas within two economically impacted low-income neighborhoods – one urban and one rural – to:

- Create new opportunities for affordable homeownership through rehabilitation of historic vacant homes and thru creation of new infill homes on formerly vacant lots
- Provide existing “legacy” homeowners with critical home repairs and significant facade improvements.
- Lift property values to build wealth for new and existing homeowners.

HOW will show the importance of targeted homeownership investment to the creation of wealth for formerly marginalized and pandemic-impacted populations. And, HOW will create new tools at the Department of Housing and Community Development (DHCD) – such as for predevelopment and construction financing to create affordable homeownership – to enable sustained investment in communities whose residents have faced significant economic challenges from the pandemic in addition to historic disinvestment.

### Project Activities

**New homeownership opportunities:** In the urban community of Johnston Square in Baltimore City, HOW will stabilize and rehabilitate at least 30 vacant homes to become affordable homeownership opportunities. In the rural community of the Pine Street Historic District in the City of Cambridge will build at least 12 new homes as infill on formerly vacant lots to become affordable homeownership opportunities.

**Rehab and repairs for existing homeowners:** In both communities at least 15 existing homeowner households will receive support for critical repairs; and at least 10 will receive support for exterior facade improvements.

Homeownership counseling and legal services: DHCD is coordinating with local nonprofit partners to create a pipeline of well-prepared new homebuyers for the new affordable housing units. In addition, DHCD will continue to fund legal services for existing households that have “tangled titles”/ estates to remove barriers to accessing support for critical repairs.

### **Equity Related Activities**

The HOW pilot is focused entirely on targeted homeownership in two historic African American communities with depressed property values. The overarching goal of HOW is to strengthen these housing markets through blight elimination and concentrated homeownership investment to increase equity and wealth for new homebuyers of color as well as for existing homeowners of color.

### **Community Engagement Related Activities**

The HOW pilot has been informed by substantial consultation with nonprofit leaders, local government leaders, private-sector development leaders and local community leaders. In the Spring of 2021, DHCD staff conducted interviews with ~40 stakeholders before designing the concept for what became the HOW pilot; this research resulted in an internal report entitled “Housing Acquisition and Rehabilitation: Opportunities for Maryland’s Community Revitalization Toolbox.” Prior to deploying the awarded HOW funding, DHCD’s CDA appointed a special project leader to refine the deployment of HOW funding and related funding; the CDA project leader subsequently conducted interviews, meetings, and site visits.

### **Timeline**

January 2022 through June 2022 – Coordination with local partners to create investment plans, roles, and grant agreements. Workshops for existing homeowners interested in assistance with critical repairs and facade improvements.

July 2022 through December 2022: Obligation of approximately \$5 million in HOW funding for rehabilitation and construction for new homeownership opportunities. Obligation of approximately \$1million for critical repairs and facade improvements for existing homeowners. Creation of pipeline of new homebuyers through housing counseling.

January 2023 through June 2023: Obligation of remaining \$3 million in HOW funding for remaining activities.

### **Primary Delivery Mechanisms and Partners**

Johnston Square, Baltimore City: DHCD’s principal partner is the nonprofit Rebuild Metro Baltimore which is working in close partnership with the grassroots Rebuild Johnston Square community association. Rebuild Metro will be the recipient of HOW grant awards to support pre-development work including the stabilization of vacant properties for rehabilitation for homeownership, and for residential facade improvements to help bring existing homeowners

along as the blocks improve. DHCD’s special loans team will use HOW funding to support interior improvements for legacy homeowners in the area, and the CDA team will use HOW funding to support construction of the new homes.

Pine Street, Cambridge: DHCD has two principal partners – City of Cambridge and Habitat Choptank. The city will focus HOW funding on recruitment of a Developer for new infill construction, and Habitat will focus on both infill and rehab activities using their sweat equity model.

### **Equity Related Awareness, Access, and Distribution**

Because the HOW pilot is focused on residential investment in two specific historic African American communities, DHCD has provided extensive outreach to residents through a variety of trusted and practical channels. In Cambridge, equitable awareness of the HOW program has been accomplished through: City council hearings and community meetings. In Johnston Square, equitable awareness of the HOW program has been accomplished through trainings with Johnston Square block captains and community meetings.

### **Intended Outcomes**

#### **Overarching Outcomes**

- Increased home values to increase wealth of households of color
- Decreased residential vacancies and increased housing quality as a means of neighborhood revitalization and safety.

#### **Outputs to Achieve Outcomes**

- Number of units of rehabilitated housing: At least 30 in Johnston Square/Baltimore City.
- Number of units of new infill housing: At least 12 in Pine Street/Cambridge.
- Number of home buyers provided counseling: At least 50.
- Number of homeowners provided “tangled title” services: At least 10
- Disbursement of all funds by December 31, 2021

### **Equity Related Outcomes**

The entire allocation of HOW pilot funding is targeted to achieve and strengthen affordable homeownership in two traditionally marginalized low-income communities. The outcomes described above are entirely focused on achieving wealth building for households of color in these two communities.

One challenge to project success is creating a pipeline of ready homebuyers; previous experience in working with local renters in both target communities portends challenges with sufficient income and credit health.

## Use of Evidence

Numerous studies have shown that homeownership has been a traditional source of wealth for low and moderate-income households. However, homeownership levels of people of color have lagged the majority population. In addition, people of color have been historically segregated by redlining and other systemic factors in neighborhoods with homes of lower value. A 2018 study by the Brookings Institution determined that homes in majority Black neighborhoods are undervalued by \$48,000 on average when compared to homes of similar quality in neighborhoods with similar amenities but with very few or no Black residents.

Targeted concentrated investment in new homeownership and strengthening existing homeownership is an evidence-based approach to both increasing household wealth and strengthening overall neighborhood home values.

## Performance Report

### Overarching Outcomes:

- Increased home values to increase wealth of households of color
- Decreased residential vacancies and increased housing quality as a means of neighborhood revitalization and safety.

### Outputs to Achieve Outcomes:

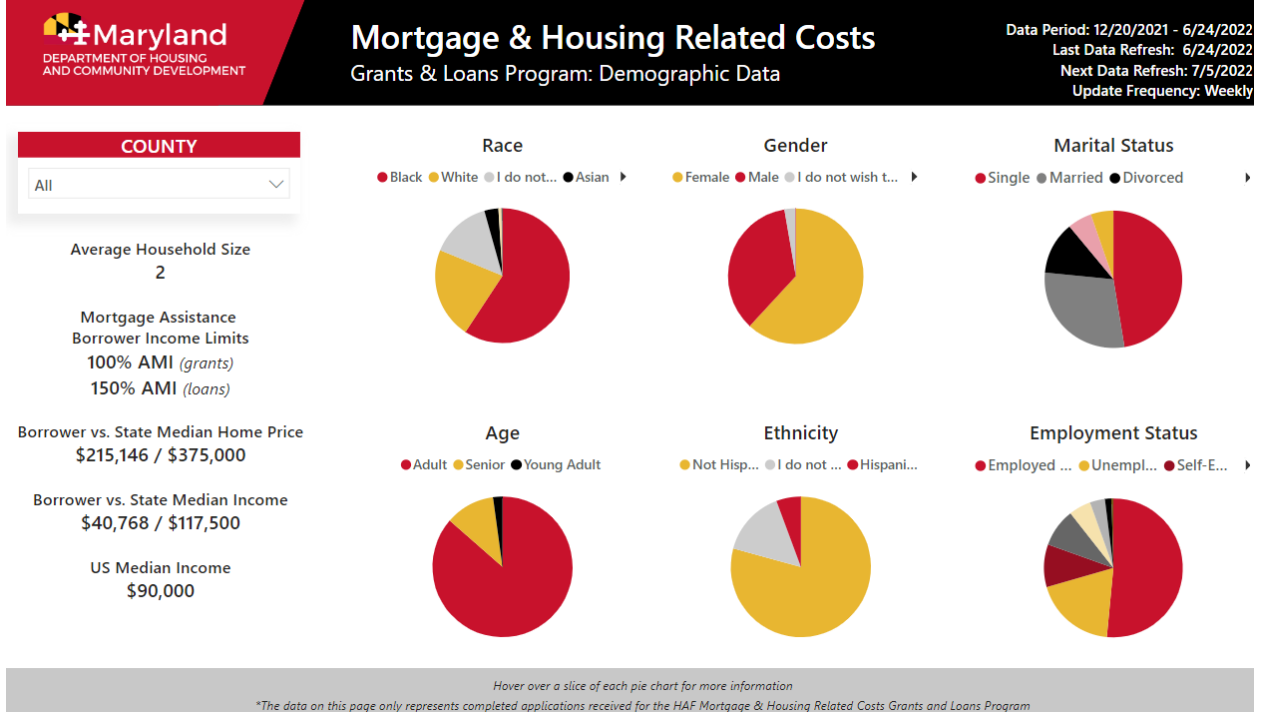
- Number of units of rehabilitated housing: At least 30 in Johnston Square/Baltimore City.
- Number of units of new infill housing: At least 12 in Pine Street/Cambridge.
- Number of legacy homeowner improvements: At least 30 across both sites
- Number of residential exterior and facade improvements: At least 30 across both sites
- Number of home buyers provided counseling: At least 50.
- Number of homeowners provided “tangled title” services: At least 10

## American Rescue Plan Support Outside of SLFRF

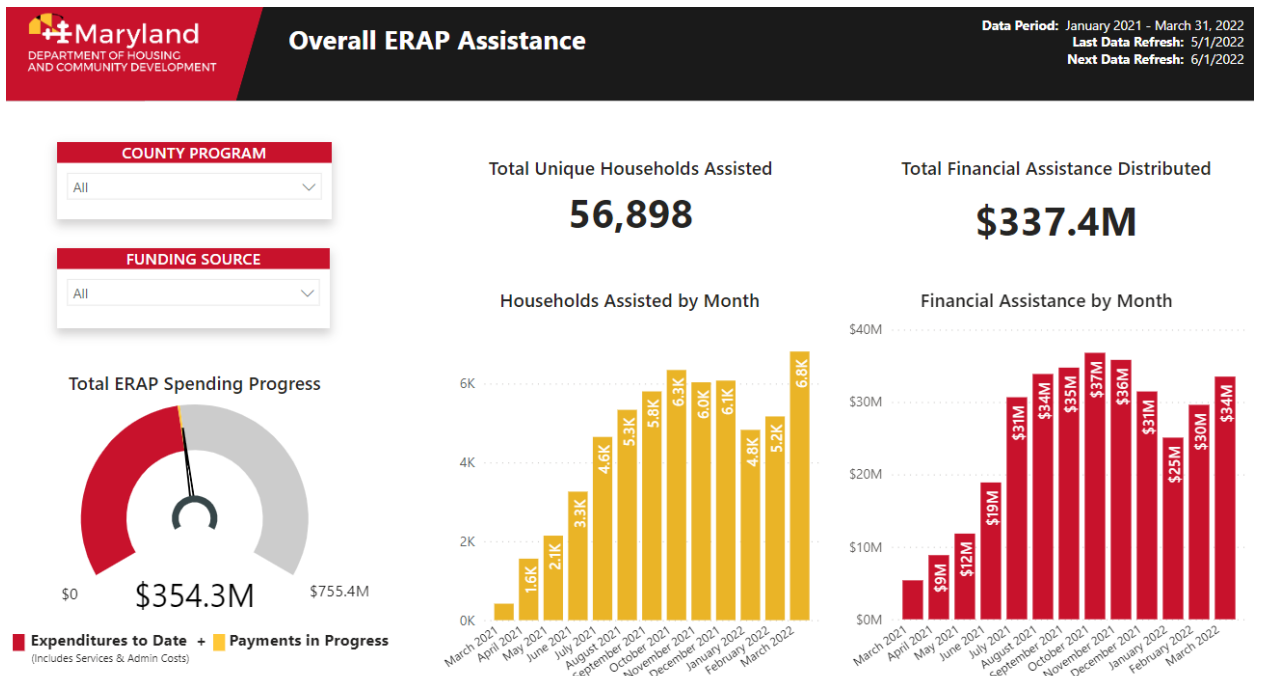
Outside of SLFRF, the [Homeowner Assistance Fund](#) was established by the American Rescue Plan enacted on March 11, 2021, to help homeowners experiencing financial hardship after January 21, 2020. The Maryland Department of Housing and Community Development (DHCD) will receive \$248 million through this program over three years to assist homeowners struggling with their mortgage payments or other housing costs due to the COVID-19 pandemic.

The [Homeowner Assistance Fund Data Dashboard](#) includes performance measures on the count and amount of applications, grants and loans approved, demographic information on applicants, and customer service measures.





Similarly, the state received federal funds to administer the Emergency Rental Assistance Program (ERAP). The [ERAP Data Dashboard](#) contains the latest performance metrics.



2M – K-12 Academic Services

Project ID	2M
Project Name	K-12 Academic Services
Budget	\$269,514,657
Expenditure Category	2.25 - Assistance to Households: Addressing Educational Disparities: Academic, Social, and Emotional Services

**Financial Summary**

ID	Subproject Name	Budget	Expenditures	Status
2M.1	Recovery Now - Maryland State Department of Education - Juvenile Services Education	\$938,839	\$938,839	Completed
2M.2	Student Support Network	\$1,000,000	\$0	Not Started
2M.3	Summer School	\$50,000,000	\$27,962,377	More Than 50% Complete
2M.4	Transitional Supplemental Instruction	\$20,000,000	\$7,291,493	Less Than 50% Complete
2M.5	Transitional Supplemental Instruction - Blueprint Fund	\$46,000,000	\$0	Not Started
2M.6	Tutoring and Supplemental Instruction	\$151,575,818	\$47,574,093	Less Than 50% Complete

**Project Description**

The K-12 Academic Services project includes six subprojects. The first subproject provided funds to enhance the educational services provided to youth placed in Department of Juvenile Services-operated detention and residential facilities. Four of the remaining five projects provide funds to Maryland’s 24 local education agencies (LEAs) to address the impact of lost instruction associated with pandemic-related school closures and disrupted learning. Two projects, the Student Support Network and Transitional Supplemental Instruction – Blueprint have not started. The Student Support Network will provide funds to a nonprofit organization in Baltimore County dedicated to supporting low-income students in that jurisdiction. The Transitional

Supplemental Instruction – Blueprint project will operate identically to the existing Transitional Supplemental Instruction project, and begins in fiscal year 2023 (July 1, 2022 - June 30, 2023).

Maryland’s LEAs received one-time support from SLFRF and other, one-time programs at the same time, all a part of the three tranches of emergency federal legislation intended to address and ameliorate the effects of the pandemic. Expectations for project activities and related spending associated with SLFRF projects are a small portion of the total, one-time COVID relief funds the state and LEAs received. Context matters: given the amount of funding, the timing of the funding, and the timeframe of grant performance periods, report readers should temper expectations on the timing and reporting of actual spending.

Maryland received more than \$3 billion in [Elementary and Secondary School Emergency Relief \(ESSER\)](#) and SLFRF funding for Maryland's schools. \$3 billion constitutes a substantial, one-time infusion of federal funds into Maryland schools. However, those funds are spread across five school/fiscal years and are intended to serve the state's more than 860,000 children each year. In total, the aggregate amount of funding comes to less than \$500 per-pupil for each tranche of federal funding over the course of the term. What does that look like compared to the state share of state aid that Maryland provides each year? In FY 2023, Maryland will provide, on average, \$8,027, per-pupil in the state share of state aid to Maryland school districts.

### **Project Activities**

The Recovery Now – Juvenile Services Project provided students and staff with peripherals, classroom technology, and equipment to effectuate virtual learning in state-operated detention and residential facilities.

LEAs established and implemented tuition-free summer school programs for K-12 public school students. Rising kindergarten students are included in these programs. LEAs must provide transportation as needed, establish partnerships with local governments and nonprofit organizations to support student experiences, administer pre and post program assessments, and evaluate the effectiveness of the program at the conclusion of each year.

LEAs provide transitional supplemental instruction for public school students in grades K-3. LEAs are to prioritize students with the greatest learning loss, including students in special education and English learners. LEAs must prioritize literacy, use evidence-based programs and strategies that meet the expectations of Strong or Moderate evidence as defined in the federal Every Student Succeeds Act, and administer a pre-and post-assessment to evaluate student progress. Transitional supplemental instruction includes one-on-one and small-group tutoring of not more than four students with a certified teacher, a teaching assistant, or other trained professional, cross-age peer tutoring, and screening, identifying, and addressing literacy deficits.

LEAs provide tutoring and supplemental instruction for public school students in grades 4 through 12 that is aligned with local curriculum, use evidence-based programs and strategies that meet the expectations of Strong or Moderate evidence as defined in the federal Every Student Succeeds Act, administer a pre-and post-assessment to evaluate student progress, and evaluate the effectiveness of the tutoring program at the end of each school year.

### **Equity Related Activities**

The focus is on serving students most impacted by the pandemic. The Juvenile Services project focuses support on students currently in state operated detention and residential facilities.

### **Community Engagement Related Activities**

County Boards of Education facilitate community engagement through a number of avenues, including regular board meetings, community surveys, and stakeholder engagement activities.

### **Timeline**

Subprojects began in 2021 and will continue through the end of the grant period, 12/30/2024.

### **Primary Delivery Mechanisms and Partners**

The Juvenile Services program is operated by the Maryland State Department of Education (MSDE). MSDE facilitated the purchase and installation of peripherals, classroom technology and equipment.

The subprojects implemented by LEAs require an application and budget narrative for each subproject. MSDE issues grants to LEAs. LEAs report expenditures on a monthly basis and MSDE reimburses the reported expenditures. In implementing the subprojects, some LEAs are partnering with community-based organizations to support summer enrichment activities, and before and after school transitional supplemental instruction and tutoring.

LEAs are required to use the grant funds to implement summer programs for all students, and to provide transitional supplemental instruction and tutoring to students with the greatest learning loss resulting from pandemic-related school closures and disrupted instruction.

### **Intended Outcomes**

- Mitigate the impact of learning loss associated with pandemic-related lost instructional time
- Improve the literacy skills of public K-3 students
- Improve the grade-level outcomes for grade 4-12 students
- Enable access to credit recovery for high school students

### **Equity Related Outcomes**

The outcomes for these subprojects are expected to result in academic gains for all students participating in the programs.

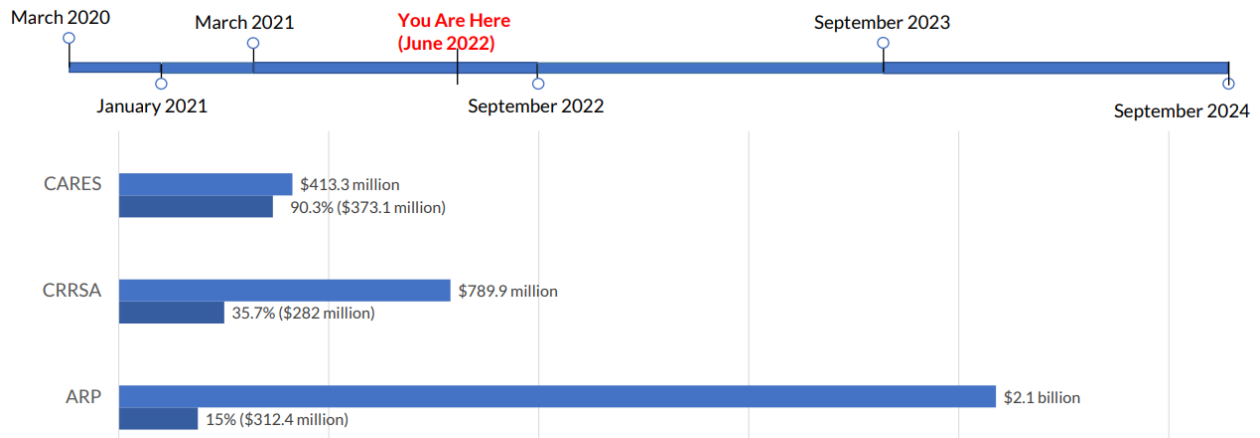
### **Use of Evidence**

LEAs are required to use evidence-based programs and strategies that meet the expectations of Strong or Moderate evidence as defined in the federal Every Student Succeeds Act, administer a pre-and post-assessment to evaluate student progress, and evaluate the effectiveness of the program at the conclusion of each session or school year.

**Performance**

As of June 2022, Maryland LEAs are spending at the pace MSDE would expect given the order of the fund obligation and liquidation deadlines and the length of the grant performance period. For example, the appropriate spending pattern MSDE would expect as of June 2022 would be to see the majority of ESSER I funding reported as spent, some spending of total ESSER II funds, and little spending of ESSER III funds, given the timelines associated with obligating those grants (ESSER I, September 30, 2022; ESSER II, September 30, 2023; and ESSER II, September 30, 2024).

*Total and Percent Spend by Grant Program*



*Source: Financing the Future: Covid Relief Funds, Maryland Leads, and Blueprint for State Aid; Dayhoff, Justin, Assistant State Superintendent; Division of Financial Planning, Operations, and Strategy; June 28, 2022*

The Maryland State Department of Education (MSDE) will employ a similar process to evaluate grant performance and the impact of grant-related activities on student outcomes across its various SLFRF projects. The MSDE will do so in order to make the process cohesive for LEAs and to gather data efficiently from LEAs since MSDE will also be collecting and evaluating performance of the closely related Elementary and Secondary School Emergency Relief (ESSER) funds. SLFRF and ESSER funds, combined, represent more than \$3 billion in one-time funding. This report reflects the consistent application of grant performance evaluations across the various SLFRF grant-related activities and projects (1D.6, 2M and 3B.1).

The MSDE will evaluate performance related to SLFRF fund utilization in Local Education Agencies both in terms of fiscal compliance and programmatic outcomes. The Department will do so through the following processes:

1. The Department is using a portion of its Elementary and Secondary School Emergency Relief (ESSER) Funds to jump start expert review teams and allow for site-level monitoring of program implementation (e.g., Transitional Supplemental Instruction/tutoring program implementation)

2. The Department will be collecting and reporting program spending as it aligns to program activities with direct ties to outcome data by student subgroup, by LEA. To date, MSDE has released the first portion of federal COVID-spending monitoring via its [ARP ESSER Monitoring Tool](#) and related guidance.
3. In addition to this guidance, MSDE will soon release a SLFRF and ESSER spending alignment tracker that specifically gathers and reports grant program performance in terms of:
  - a. Implementation fidelity to originally submitted plan and/or the grant program's allowable activities
  - b. Planned/budgeted spending by grant activities
  - c. Actual spending by grant activities
  - d. Student outcome date, by subgroup, by LEA, by grant activity

ARP ESSER Monitoring Example – the Department's model for ESSER and SLFRF Monitoring

In addition to providing support to school systems through the review of Reopening Plans, MSDE is releasing the ARP ESSER Monitoring Tool to support LEAs in reporting on how ARP ESSER funds were expended in their school system. MSDE will provide periodic technical support sessions in July and August. This collaborative approach will ensure that LEAs are successful in their mandatory use of the ARP ESSER Monitoring Tool, which will be due to MSDE for review on December 23, 2022. After reviewing the submissions, MSDE may request amendments from LEAs and/or establish dates to monitor ARP ESSER funded interventions in action at schools using the Pilot Expert Review Team Initiative.

## 2N – Public Health Equity Resources

Project ID	2N
Project Name	Public Health Equity Resources
Budget	\$19,000,000
Expenditure Category	2.37 - Economic Impact Assistance: Other

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
2N.1	ACES Grants - Excelerate MD	\$3,000,000	\$0	Not Started
2N.2	Expansion of the Boys & Girls Clubs MD	\$2,000,000	\$1,361,451	More Than 50% Complete
2N.3	Health Equity Resources Communities Grants	\$14,000,000	\$0	Not Started

### Project Description

This project utilizes SLFRF to provide economic impact assistance to Public Health Equity Resources. It includes three (3) subprojects:

- 2N.1 - ACES Grants - Excelerate MD
- 2N.2 - Expansion of the Boys and Girls Clubs MD
- 2N.3 - Health Equity Resource Communities Grants

#### 2N.1 - ACES Grants - Excelerate MD

Rural victims are more likely to experience social isolation, privacy concerns, reduced access to transportation, economic hardship, sexual abuse, exposure to other crimes, and lack of communication with service organizations. Lack of affordable housing, limited child care resources and low paying jobs are a reality for rural domestic violence victims.

The Mid-Shore Council on Family Violence’s Safe Passages Project will enhance existing case management solutions to impact the needs of people affected by domestic violence.

Services designed by the Mid-Shore Council of Family Violence will address the exacerbated physical isolation that victims of domestic violence experience while living in extremely rural areas and during the COVID-19 pandemic.

### **Community Engagement Related Activities**

Safe Passages Project will partner with advanced technological businesses to enhance its existing case management solution. Partners will develop flexible person-centered care collaborations workflows for clients to optimize inquiry, conduct pre-intake and intelligent routing processes, update care profiles and up-to-date visibility of clients as they ultimately transition to self-sufficiency. External partners such as law enforcement and legal counsel also will enable personalized improvements and speed up personal care for domestic violence victims and their families, including children.

### **Timeline**

Phases will include discovery and planning activities for client care pathways; algorithm creation; build out of custom sources and identify attitudinal profiles to name a few of the activities with a multi-level technology business partnership. Award was recently issued to Mid-Shore; therefore, there are no substantial activities to report at this time.

### **Primary Delivery Mechanisms and Partners**

- Provide a platform to enable Mid-Shore to understand individual clients and caregivers in near real-time
- Leverage extensible digital services and next-generation data and analytics
- Enhance safety and well-being of clients.

### **Intended Outcomes**

- Create technological solutions for domestic violence victims moving from crisis to safety to self-sufficiency.
- Increase the ability of case managers to provide the right services for the clients at the right time.
- Pilot a technology solution, incorporating human-centered design, machine learning and real-time alerts to provide a learning pathway to increase job skills of clients

## **2N.2 - Expansion of the Boys and Girls Clubs MD**

The Boys & Girls Clubs of Metropolitan Baltimore Inc. will help Maryland's youth recover from the devastating impacts of the COVID-19 pandemic. Adverse Childhood Experiences (ACEs) have been linked to an increased risk of poor educational, behavioral, economic, and physical health outcomes. [Boys and Girls Club](#) aims to address challenges that include the enhancement of positive evidence-based youth development programs that are being operated by the Maryland Alliance of Boys and Girls Clubs, as well as standing up a new technological solution to create an interactive system to bridge the gap between families and service providers.



The Boys and Girls Clubs provide evidence-based youth development programs, mentoring and other educational enrichment activities rooted in positive youth development. In addition to providing the time-tested Club model, the Alliance deployed resources, training, and support for youths and their families.

The Clubs provide expanded services to communities that lack universal access to effective youth development programs. This will support the well-being of youth and will continue to link in-school and out-of-school time for Maryland's youth by collaborating with 15 communities.

### **Equity Related Activities**

In addition to the Youth Behavioral Risk Survey (YRBS) data and robust input from stakeholders, the Alliance validates several data sources to support the opening of Clubs in communities where "youth that need us most" are present. Data sources such as the Centers of Disease Control and Prevention's (CDC) Social Vulnerability Index (SVI) helps the Clubs identify target areas in need of community resources following a natural disaster, such as severe weather, disease outbreaks or chemical exposures. Social factors that fall into four main categories include poverty levels, household capacity, transportation access and the prevalence of minorities for whom English is a second language. Significant pockets of high vulnerability have been identified in targeted Clubs.

### **Community Engagement Related Activities**

Through the intuitive technology solutions offered in various platforms, there will be an ability to leverage remote learning opportunities, integrate state data sources, and use intelligent interactions to each user that is secure and accessible at the point of need. One of the goals is to expand pop-up community programs that are mobile in nature and resilience focused to offer summer camps for educational enhancement.

### **Primary Delivery Mechanisms and Partners**

The Alliance will digitize manual paper-based workflows enabling insight into membership and speeding time to service time to outcome; deploy learning platform with appropriate engagement framework; connect stakeholders through a care team approach of collaboration; provide individualized learning tools; generate local and state-level dashboards to inform policy; and create an evidence-based framework for program measurement for 15 Maryland's communities with 23 jurisdictions and Baltimore City.

### **Intended Outcomes**

- Support 5,000 youth through the expansion of SMART Moves: Emotional Wellness
- Engage up to 15 communities to expand access to Clubs in Maryland
- Expand Clubs to an additional 20 community outreach locations
- Conduct summer aps and provide scholarship opportunities for 5,000 youth
- Host 12 best-practice and trauma-response training for youth development staff members annually

- Grow the reach of virtual social-emotional wellness programs to support counties in Maryland.

**Use of Evidence**

Understanding the implications of the ACE study and the developments in fields of neuroscience, epigenetics, trauma, and resilience is a powerful pathway to health, well-being, and a more prosperous Maryland. Preventing ACEs and their intergenerational transmission is the greatest opportunity of our time to improve the health, education, and economic outcomes of Marylanders. The Clubs provide evidence-informed youth development programs, mentoring and other educational enrichment activities rooted in positive youth development. The Boys & Girls Club model has been shown to develop and enhance the key protective factors among youth. Club programs such as SMART Moves; Passport to Manhood; Torch Club, SMART Leaders focuses on adolescents and aims to change attitudes and risky behaviors. These are rated as a promising program in the Office of Juvenile Justice and Delinquency Prevention (OJJDP) model program guide.

**Performance**

The performance data was self-reported by subrecipients:

Performance Measures by Implementing Agency	
Implementing Agency	Numeric Response
<input type="checkbox"/> <b>Boys &amp; Girls Clubs of Metropolitan Baltimore, Inc.</b>	
ACEs training participants	475
LE hours for youth engagement	751
PAL programing participants	1,974
Youth connect to programming	5,898
Youth connected to community stakeholders	784
Youth hospitalized due to COVID	86
Youth impacted by COVID	1,528
Youth participating in BCG activities	500
Youth provided resources	5,657
Youth referred to community based supports	1,075
Youth referred to community stakeholders	796
Youth with improved attitudes toward school	1,304
Youth with improved school attendance	1,169
Youth with improved school performance	1,241
Youth with relatives hospitalized due to COVID	78

## 2N.3 - Health Equity Resource Communities Grants

This project will provide grants to newly established [Health Equity Resources Communities \(HERCs\)](#) through the Pathways to Health Equity program.

The Maryland General Assembly approved the Maryland Health Equity Resources Act during the 2021 legislative session. The bill outlines the designation of HERCs, and includes five (5) policy objectives:

1. Reduce health disparities
2. Improve health outcomes
3. Improve access to primary care
4. Promote primary and secondary prevention services
5. Reduce health care costs, hospital admissions and readmissions.

The HERC Advisory Committee is responsible for program implementation, program evaluation and data collection metrics, preparation of an annual report on the program, and development of strategies for tax incentives and loan repayments to assist HERCs in achieving their mission.

Resource allocation is determined by the HERC Advisory Committee managed by the Maryland Community Health Resources Commission (CHRC). The CHRC is responsible for establishing a Pathways to Health Equity Program to ensure the long-term viability of the HERC program.

Grant funding for Pathways to Health Equity to specified entities is provided through this program and must be for two years. Special consideration must be given to proposals from areas previously designated as Health Enterprise Zones (HEZs).

### **Project Activities, Timeline, and Community Engagement**

The Governor's Office, the Senate President, and the Speaker of the House made appointments to the HERC Advisory Committee on July 12, 2021.

The CHRC held its first meeting of the HERC Advisory Committee on August 11, 2021. Three (3) advisory subcommittees were appointed, including the Consumer Outreach and Community Engagement Subcommittee, Pathways Call for Proposals and Design Subcommittee, and the Data and Program Evaluation Subcommittee. (All HERC Committee and Subcommittee meetings are available to the public, live and online.)

Substantive work to prepare and release the Pathways to Health Equity request for proposals (RFP) ensued, *Laying the Foundation for the Health Equity Resource Community Initiative*. The RFP was release on-time, October 12, 2021

The HERC Consumer Outreach and Community Engagement Subcommittee then hosted 14 meetings across the state in October 2021 to inform communities and potential applicants about the Pathways to Health Equity RFP. Every region in the state had an in-person and online meeting.

Nonprofit community-based organizations, nonprofit hospitals, federally qualified health centers (FQHC), institutions of higher education, and local government agencies may receive the HERC designation if they apply to CHRC on behalf of the area. The application must include community-based organizations to provide health and support services within the HERC and will outline practices for community engagement and outreach.

This resulted in forty (40) applications received to the RFP, requesting \$41 million (\$13.5 million available to award). Applications were due December 7, 2021.

[On February 15, 2022, the CHRC voted to award 9 grantees under the new “Pathways to Health Equity” program, investing \\$13.5 million in new resources in underserved communities throughout the state.](#) Specific health disparities targeted by the new projects include diabetes, asthma, heart disease and hypertension, mental health, substance use disorder, maternal and child health, and Sickle Cell Disease.

[On July 5, 2022, the CHRC voted to approve 17 grants totaling \\$7.2 million](#) to support three types of projects:

1. addressing chronic disease prevention and disease management, including diabetes and its comorbidities, hypertension, heart disease and others
2. promoting behavioral health and the ongoing impact of the opioid crisis
3. promoting maternal and child health services.

### **Intended Outcomes**

- Reduce health disparities
- Improve outcomes, including reduced cancer, heart disease and infant mortality rates
- Improve access to primary care
- Promote primary and secondary prevention services
- Reduce health care costs

### **Use of Evidence**

A broad body of research has shown that health disparities exist between Black, Hispanic and Native American individuals and their white counterparts. This can be seen in data comparing rates of heart disease, stroke, infant mortality, maternal mortality, obesity, hypertension, type 2 diabetes, cancers, respiratory diseases and autoimmune diseases by race and ethnicity. COVID-19 infection data also shows racial disparity. For example: While Black individuals comprise 29.8% of the Maryland population, they represented 36% of COVID-19 deaths as of January 18, 2021. Maryland’s maternal mortality rate for Black women is 3.7 times that of White women, and the racial disparity has widened in recent years.

## Public Sector Capacity

Expenditure Group 3 is Public Sector Capacity. This section includes SLFRF projects for Improving Public Health and Reducing Negative Economic Impacts related to Public Sector Capacity. This means how funds were used to support the public sector workforce and capacity, including public sector payroll, rehiring of public sector workers, and building of public sector capacity.

### 3A – Public Sector Assistance

Project ID	3A
Project Name	Public Sector Assistance
Budget	\$325,100,000
Expenditure Category	3.1 - Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers

#### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
3A.1	Health Insurance	\$75,000,000	\$64,196,538	More Than 50% Complete
3A.2	Overtime for the Office of the Chief Medical Examiner	\$100,000	\$100,000	Completed
3A.3	Public Safety Salaries	\$250,000,000	\$250,000,000	Completed

This project provides financial assistance to the state to support workforce payroll and benefits to Public Health, Public Safety, and Human Services Workers. There are three (3) subprojects:

3A.1 - Health Insurance

3A.2 - Overtime for the Office of the Chief Medical Examiner

3A.3 - Salaries at the Department of Public Safety and Correctional Services

#### 3A.1 - Health Insurance

The state authorized the increase of funds to cover health insurance claims / shortfalls due to the increased COVID-19 related claims within state employee health insurance.

Eligible employee claims included professional services, inpatient and outpatient hospital charges, lab, radiology, emergency room, testing kits, vaccines and antiviral medications.

The [state offers employees five health insurance plans](#) administered through three carrier partners, CareFirst BlueCross BlueShield, Kaiser Permanente, and United HealthCare. Health care provides submitted claims to the elected health plan on behalf of plan participants.

199,889 unique participants have had at least one claim paid for a COVID-19 related service between March 3, 2021, and June 15, 2022, for dates of service through May 31, 2022.

118,144 unique patients have received vaccines through our prescription drug vendor, CVS Caremark. An additional 6,058 unique patients filled antiviral medication or purchased testing kits. Statistics include those with both a medical claim and prescription claim. Claim data is captured in real time for the period March 3, 2021, through June 15, 2022.

### **3A.2 - Overtime for the Office of Chief Medical Examiner**

This project provides financial assistance to cover a portion of overtime for the Office of the Chief Medical Examiner (OCME).

OCME caseload increased in FY 2021 by 10.9% over the previous fiscal year to 18,600 cases, and 22.3% over the past two fiscal years. COVID-19 cases were a factor in this increase, on top of a longer-term increase in opioid deaths. OCME is required to investigate deaths that are sudden and unexpected, result from injury, occur under unexplained or suspicious circumstances, or when a person is not attended by a physician. The number of eligible OCME employees who are entitled to receive cash for overtime worked has increased to meet this additional demand.

### **3A.3 - Public Safety Salaries**

The [Department of Public Safety and Correctional Services \(DPSCS\)](#) utilized SLFRF to fund salary expenses for 4,957 correctional officers (public safety) from July 1, 2021 – June 30, 2022. Recruiting and retaining the state’s public safety workers at Maryland’s 19 correctional institutions is mission critical, and a priority for the Hogan Administration.

Recipients of this funding were required to work within the confines of a correctional facility and were directly responsible for the custody of inmates. By nature of their work, the recipients of the funding were frequently in close contact with [inmates who have tested positive](#) and were quarantined, as well as in close contact with other correctional staff while having no ability to maintain social distancing within correctional facilities that have poor ventilation.

[On July 2, 2021, Governor Larry Hogan announced \\$13 million in salary increases for employees who are charged with the care and custody of inmates within Maryland’s correctional facilities.](#) This follows the administration’s announcement last week of increased salaries for new hires into these critical positions.

These salary enhancements are designed to enhance the state’s ability to compete in an area that has seen recruitment challenges despite many innovative efforts to [hire correctional officers](#).

“This is vital work and the individuals who maintain the security of our correctional institutions and oversee the work of inmates deserve recognition for performing this challenging job,” said Governor Hogan. “I am pleased to be able to offer these increases, which are well-deserved.”

The state was able to reach agreement with the exclusive representative of these employees, the American Federation of State, County and Municipal Employees within a very short period.

### 3B – K-12 Emotional and Behavioral Services

Project ID	3B
Project Name	K-12 Emotional and Behavioral Services
Budget	\$25,000,000
Expenditure Category	3.4 - Public Sector Capacity: Effective Service Delivery

#### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
3B.1	Behavioral Health and Trauma Services	\$25,000,000	\$6,803,055	Less Than 50% Complete

#### Project Description

The Blueprint is a landmark piece of [legislation that was passed](#) to provide comprehensive changes to Maryland’s early childhood and public schools. Increasing education funding by \$3.8 billion each year over the next 10 years, the Blueprint will enrich student experiences, accelerate student outcomes and improve the overall quality of education in Maryland. House Bill 1300 passed in 2020. This bill needed updating to extend timelines and include new provisions to address COVID-related issues. Bill 1372 was passed to update and complement the core legislation, House Bill 1300, and enacted under Article II, § 17(b) of the Maryland Constitution on April 9, 2021.

“Each county board of education, including Baltimore City, shall use state and federal funds provided for COVID-19 relief in the state budget for fiscal years 2021 and 2022 to address trauma and behavioral health issues exacerbated by the COVID-19 pandemic on students and their families to identify and provide necessary supports and services for students.”

On or before September 1, 2021, each county board of education, including Baltimore City was required to submit a plan to address trauma and behavioral health issues through summer school programs.

On or before January 1, 2022, they were required to publish a report on how the county board spent the funds as described in their plans, including how they:

1. provided behavioral health services to students;
2. ensured that services provided to students address the trauma and behavioral health issues due to the effects of exacerbated by the COVID–19 pandemic; and



3. monitored students experiencing more trauma and behavioral health issues than other students; and
4. measured the effectiveness and impact of behavioral health services provided to students using key metrics and procedures.

The Maryland Department of Legislative Services (DLS) Library contains the plans and performance reports.

From the DLS Library, keyword search ‘HB 1372’

[https://mlsd.ent.sirsi.net/client/en\\_US/catalogs/search/results?qu=HB+1372&te=ILS&st=PD](https://mlsd.ent.sirsi.net/client/en_US/catalogs/search/results?qu=HB+1372&te=ILS&st=PD)

Maryland’s 24 Local Education Agencies (LEAs) received grants. Grant funds are available to the LEAs until 12/30/2024.

To the extent practicable, LEAs are encouraged to utilize school-based health centers to coordinate and deliver services to students. LEAs may use grant funds to train teachers and school staff to recognize signs of student trauma or behavioral health concerns.

LEAs used the funds to support social-emotional learning programming and materials, counseling services for students, staff and families, establishing or enhancing restorative practices programs, additional school-based guidance counselors, behavioral therapists, and school-based social workers. LEAs report expenditures on a monthly basis which are reimbursed by the state.

### **Community Engagement Related Activities**

County Boards of Education facilitate community engagement through a number of avenues, including regular Board meetings, community surveys, and stakeholder engagement activities.

### **Equity Related Activities**

Funds were distributed based on each LEA’s proportionate share of the State’s Foundation Program under the Major State Education Aid funding. State aid in Maryland is wealth-equalized meaning that less wealthy jurisdictions receive a larger share of state aid than more wealthy jurisdictions. By nature of the calculation, more funds under this program are distributed to low-income jurisdictions.

Prioritizing equity, the Blueprint prescribes new programs and innovative approaches to catalyze a world-renowned education system that aims to eradicate achievement gaps and ensures opportunity for every student, regardless of family income, race, ethnicity, and/or ability.

Delivering opportunity and promise of a better future to every Maryland child, the Blueprint for Maryland’s Future will transform the state’s education and early childhood systems with sweeping policy changes and an unprecedented investment of state and local resources.

## Performance

As described in SLFRF project 2M - K-12 Academic Services, Maryland LEAs are spending at the pace MSDE would expect given the order of the fund obligation and liquidation deadlines and the length of the grant performance period. For example, the appropriate spending pattern MSDE would expect as of June 2022 would be to see the majority of ESSER I funding reported as spent, some spending of total ESSER II funds, and little spending of ESSER III funds, given the timelines associated with obligating those grants (ESSER I, September 30, 2022; ESSER II, September 30, 2023; and ESSER III, September 30, 2024).

The Maryland State Department of Education (MSDE) will employ a similar process to evaluate grant performance and the impact of grant-related activities on student outcomes across the various SLFRF projects. The MSDE will do so in order to make the process cohesive for LEAs and to gather data efficiently from LEAs since MSDE will also be collecting and evaluating performance of the closely related Elementary and Secondary School Emergency Relief (ESSER) funds. SLFRF and ESSER funds, combined, represent more than \$3 billion in one-time funding. This report reflects the consistent application of grant performance evaluations across the various SLFRF grant-related activities and projects (1D.6, 2M and 3B.1).

The MSDE will evaluate performance related to SLFRF fund utilization in Local Education Agencies both in terms of fiscal compliance and programmatic outcomes. The Department will do so through the following processes:

1. The Department is using a portion of its Elementary and Secondary School Emergency Relief (ESSER) Funds to jump start expert review teams and allow for site-level monitoring of program implementation
2. The Department will be collecting and reporting program spending as it aligns to program activities with direct ties to outcome data by student subgroup, by LEA. To date, MSDE has released the first portion of federal COVID-spending monitoring via its [ARP ESSER Monitoring Tool](#) and related guidance.
3. In addition to this guidance, MSDE will soon release a SLFRF and ESSER spending alignment tracker that gathers and reports grant program performance in terms of:
  - a. Implementation fidelity to originally submitted plan and/or the grant program's allowable activities
  - b. Planned/budgeted spending by grant activities
  - c. Actual spending by grant activities
  - d. Student outcome data, by subgroup, by LEA, by grant activity

### ARP ESSER Monitoring Example – the Department's model for ESSER and SLFRF Monitoring

MSDE is releasing the ARP ESSER Monitoring Tool to support LEAs in reporting on how ARP ESSER funds were expended in their school system. MSDE will provide periodic technical support sessions in July and August. This collaborative approach will ensure that LEAs are successful in their mandatory use of the ARP ESSER Monitoring Tool, which will be due to MSDE for review on December 23, 2022. After reviewing the submissions, MSDE may request amendments from LEAs and/or establish dates to monitor ARP ESSER funded interventions in action at schools using the Pilot Expert Review Team Initiative.

## Premium Pay

Expenditure Group 4 is for SLFRF projects related to Premium Pay. This includes how funds are being used to support sectors or occupations in any premium pay program.

## 4A – State Employee Premium Pay

Project ID	4A
Project Name	State Employee Premium Pay
Budget	\$114,393,757
Expenditure Category	4.1 – Public Sector Employees

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
4A.1	Extension of Response Pay for State Employees	\$61,829,296	\$61,829,296	Completed
4A.2	Response/Quarantine Pay	\$52,564,461	\$52,560,458	Completed

### Project Description

The state authorized COVID-19 Response and Quarantine Pay to certain groups of employees because they were performing essential services during the public health emergency with limited ability to physically distance per CDC guidelines.

Eligible employees included employees working in 24/7 operations within the Maryland Department of Health, Department of Juvenile Services (DJS), and Department of Public Safety and Correctional Services (DPSCS). Plus, all sworn police officers and state firefighters, and certain employees within the Department of Human Services (DHS) and DPSCS that were required to intermittently perform field work. Employees that fell outside of these categories, but were still required to report to work under certain conditions were approved on a case-by-case basis.

Consistent with SLFRF, providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange.

#### 4A.1 - Extension of Response Pay for State Employees

Eligible employees received \$3.13 per hour additional pay for each hour an employee was required to report to work and was unable to maintain adequate physical distance per CDC guidelines. Response pay was available to employees from July 1, 2020 - June 30, 2021 in fiscal year 2021, with the exception of September 9, 2020 - April 6, 2021 (15 regular pay periods), when Response Pay was temporarily discontinued. Maryland provided retroactive payments to eligible employees for work hours for the period of September 9, 2020 to April 6, 2021 that would have been eligible had the pay been available at the time.

The retroactive payments for the period September 9, 2020 to April 6, 2021 were based on a methodology, discussed and agreed to by the state's largest employee bargaining unit representative, the American Federation of State, County, and Municipal Employees (AFSCME).

#### **4A.2 - Quarantine Pay**

Eligible employees received \$5.13 per hour additional pay for each hour an employee was required to work in designated COVID-19 quarantine areas. Quarantine pay was available to employees for the entirety of state fiscal year 2021, July 1, 2020 to June 30, 2021.

Employees received the response or quarantine payments directly in their paychecks. Retroactive payments for response pay were issued and included in employee paychecks primarily on May 26, 2021 for state regular employees. Eligible contractual employees primarily received retroactive payments on June 2, 2021.

#### **Performance Measures**

Number of employees compensated: 13,615

Job classification codes compensated: 491

Average compensation per job classification: \$69,266 was the state's average salary in 2021 (source: Maryland State Archives). The response pay threshold of 150% above the state's average salary is therefore calculated at \$173,125.

Less than one-half of one percent (53 of 13,175) of state regular workers in the State Personnel Management System (SPMS) on response pay earned above \$173,125. All 53 earned above this level prior to response pay. Response pay did not push any state regular employees over the 150% threshold.

Contractual employees were excluded from analysis due to employees primarily receiving hourly pay rates and varying contract periods of performance.

## Water, Sewer, and Broadband Infrastructure Projects

Expenditure Category 5 is for Water, Sewer, and Broadband Infrastructure Projects. This section includes information about each project's approach, goals, and where relevant describes how the project contributes to addressing climate changes and/or how projects benefit disadvantaged communities in line with the Justice40<sup>24</sup> Initiative.

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<sup>24</sup> White House [Executive Order 14008](#). On Tackling the Climate Crisis at Home and Abroad and the Interim Implementation Guidance for the [Justice40 Initiative](#), [OMB M-21-28](#). Published 7/20/21; retrieved online 7/1/22 from <https://www.whitehouse.gov/wp-content/uploads/2021/07/M-21-28.pdf>

## 5A – Last Mile Projects

Project ID	5A
Project Name	Last Mile Projects
Budget	\$143,255,321
Expenditure Category	5.19 - Broadband: "Last Mile" projects

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
5A.1	Broadband - Administrative Support	\$475,321	\$296,905	More Than 50% Complete
5A.2	Broadband - Network Infrastructure	\$127,600,000	\$2,653,921	Less Than 50% Complete
5A.3	Broadband - Rural Broadband Legislative Initiative	\$15,180,000	\$0	Not Started

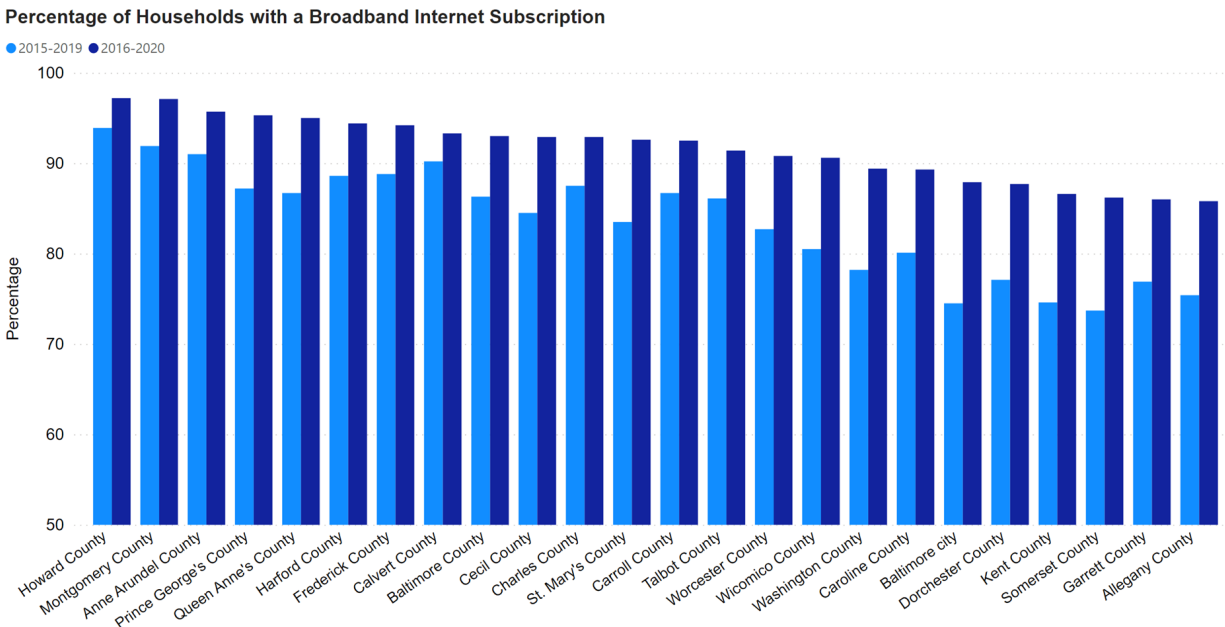
### Project Description

High-speed internet access is essential for online education, telemedicine, and overall access to digital society. However, thousands of Marylanders still lack sufficient access to broadband service, mostly because they live in rural communities which are the most difficult and expensive to serve. The Last Mile Infrastructure projects provide financial assistance to construct broadband infrastructure necessary to provide service at the Broadband Grant Speed in areas where broadband service does not currently exist for residents, businesses, and anchor institutions.

In 2017, Governor Larry Hogan established the Office of Rural Broadband by Executive Order. In 2018, a director was appointed to the office and a \$100 million cost for service to underserved rural households was identified. \$50 million was requested over a five-year period to assist with broadband expansion. \$11.8 million in capital and operations funding in fiscal year 2020, and \$11.2 million in fiscal year 2021, was increased to \$32.7 million.

## State of Maryland

The following chart compares the percentage of households with a broadband internet subscription on the 2015-2019 5-year American Community Survey to the 2016-2020 survey.



In April 2021, the Office of Statewide Broadband (OSB) was established by Senate Bill (SB66), the Digital Connectivity Act of 2021, and signed into law (CH74) by Governor Hogan.

[On August 20, 2021, Governor Hogan announced the launch of Connect Maryland](#), a transformative new initiative to supercharge the State of Maryland's broadband investment with a total new investment of \$400 million to fully address the digital divide.

“The State of Maryland has set an ambitious goal of ensuring universal broadband to everyone in every single corner of the state by no later than 2025, and Connect Maryland is the game-changing initiative that is going to get us there,” said Governor Hogan. “This is just one more shining example that we aren’t just committed to fully recovering from the pandemic, but we are committed to coming back even stronger and better than ever before.”

In addition to SLFRF, the state has been awarded \$162,600,000 in [Coronavirus Capital Projects Funds](#). The funds are accounted for in the FY 2023 - 2027 Capital Improvement Program as part of the Local Government Infrastructure Fund. Capital funds will be used to construct infrastructure required to expand high-speed internet where other sources of funding are limited.

Connect Maryland capital project funds will work in concert with SLFRF. For these SLFRF projects, local jurisdictions will act as applicants and will have a strong internet service provider (ISP) with whom the jurisdiction will partner in implementing the project. The ISP will have the means and desire to provide service to the applicant's unserved households and businesses. The jurisdiction and/or ISP will be responsible for the overall implementation of the projects and will be the owner of any facilities constructed as part of the project.



All funded projects will provide a minimum internet connectivity of 100 Mbps down and 100 Mbps up with a maximum latency of 50 milliseconds. The network must be capable of providing the minimum connectivity to all subscribers within the proposed Project area. The reason for the grant speed ensures reliability of connection to households who have been suffering from unreliable speeds.

### **Project Activities**

Activities may consist of the following:

- The construction of facilities used to deploy service at the Broadband Grant Speed to all end users located within the project funded service area
- Middle mile infrastructure directly necessary to provide service to an end user
- Purchase and installation of equipment and electronics necessary to deliver service to an end user
- Tower construction and/or tower structural improvements is an eligible cost

### **Equity Related Activities**

Grants will be awarded on a competitive basis for entities to serve all unserved premises in eligible areas at the Broadband Grant Speed. Equitable scoring criteria have been built into the review of each application. Those projects that have equity plans and address affordability are awarded points to rate them higher than those who do not offer equity plans. The office requires all projects to provide demographics of the project funded areas. These demographics we can utilize to identify project areas that provide service to underserved, low-income, and minority communities.

### **Community Engagement Related Activities**

Any project plan must include the coordinated involvement of multiple stakeholders and partnerships that will benefit all participants. The [Office of Statewide Broadband](#) has met with elected leaders (creation of a task force) to facilitate discussions and gauge their feedback on broadband service offerings and future needs. The office has also met multiple times with local community organizations and ISPs to better understand their needs and the impacts their programs have on the communities they serve.

### **Timeline**

Network Infrastructure – August 2022 – August 31, 2024.

Rural Broadband (Neighborhood Connect) – August 2022 – December 31, 2023.

### **Primary Delivery Mechanisms and Partners**

Network Infrastructure: The Department of Housing and Community Development (DHCD) will provide grants to internet service providers.

Legislative Initiative: DHCD will provide grants to local jurisdictions, who will serve as the fiscal agents in partnership with internet service providers.

### **Equity Related Awareness, Access, and Distribution**

All Department of Housing and Community Development programs provide equitable and inclusive awareness to communities and eligible households. The versatility of our awareness and access ensure that all possible measures of distribution are accounted for.

DHCD have worked with ISPs on providing advertisements online and on TV, partnered with local community organizations to post flyers in their facilities and multi-dwelling units.

There are no administrative requirements that would result in the inability to complete applications. However, we ensure that the projects we are funding will be carried out by good stewards. Some of these requirements are: Recognized federal 501(c), Federal EIN, Registered Duns & SAM.gov number, and Good standing certificates within Maryland.

### **Intended Outcomes**

Maryland ranks highly compared to other states in broadband availability and adoption. The state's broadband infrastructure, however, remains a work in progress and there is no one solution that best meets the needs of every community. Effective solutions will vary with the geographic, demographic, political, economic, and technological topology of areas and communities. In Maryland, broadband service needs are being met through a mix of private sector, public sector and cooperative owned networks with varying levels of coverage. As such the outcomes of our projects vary but are weighted within the same goal, ensuring every Maryland resident has access to reliable internet service.

### **Equity Related Outcomes**

Our outcomes and goals vary greatly as the office would like to see the greatest impact for our projects to close the digital divide. The divide is between those geographic areas that have access equal to or greater than the latest FCC broadband standard and those areas that have access to speeds under the standards. It is important to note that the divide also exists between households who have the digital skills, literacy and perceived need to adopt and utilize broadband technologies and those who do not. Rural areas are particularly affected by both aspects of the digital divide. The office expects to utilize the demographic data provided within the applications to better understand and address the digital equity concerns in unserved areas of Maryland.

## Use of Evidence

The FCC's most recent broadband deployment report finds that 2.6% of Maryland households (approximately 58,000) lack network availability at the 25 megabits per second (Mbps) download threshold that defines “broadband.” Further, a 2017 FCC analysis estimated a \$2,200 cost per structure for "fiber to the premises" deployment to 90% of unserved places (the final 10% can be extremely expensive because the remoteness and topography of those places escalate costs). These estimates were used to determine funding (58,000 households x \$2,200 = \$127.6 million).

The office has administered, reviewed and evaluated infrastructure related funding and Broadband infrastructure projects since 2019. This project will be the 4<sup>th</sup> year of the Office’s establishment of Broadband Projects. Based on the impact, testimonials, and data received from these past projects we believe the need for the above referenced projects to be designed relevant to the needs of Maryland’s Broadband gaps. Similar projects that preceded these:

- 2019 Infrastructure Pilot Projects (10)
- 2020 Network Infrastructure Projects (4)
- 2020 Infrastructure Pilot Projects (20)
- 2021 Network Infrastructure Projects (11)
- 2021 Broadband Expansion Projects (42)

Projects are awarded on a competitive basis for entities to serve all unserved premises in eligible areas at the Broadband Grant Speed. The program will provide grants of between 70% and 90% of the capital construction costs for major broadband infrastructure projects depending on its composition. Projects applied for are expected to serve significant areas of unserved households and businesses.

## Labor Practices

Project awardees may not discriminate against and hereby certifies that it prohibits discrimination against and will not discriminate against any person on the basis of race, color, religion, ancestry, creed or national origin, sex, marital status, physical or mental handicap, sexual orientation, or age in any aspect of its operations. Awardees shall comply with applicable federal, state, and local laws regarding discrimination and equal opportunity in employment. In addition, all awardees, contractors, and subcontractors working on the infrastructure must abide by both the Maryland Wage Payment and Collection Law as well as the Maryland Wage and Hour Law. The Maryland Wage and Hour Law is similar to the federal Fair Labor Standards Act (FLSA) but contains some important differences.

## Performance

The following performance measures will be used to monitor progress toward outcomes:

### *Network Infrastructure*

- Recipients (households) and funding by zip code/census tract
- Recipient demographic info (e.g., race/ethnicity, income level, etc.)
- Number of households that have service available
- Number of households that subscribe to service

### *Legislative Initiative*

- Recipients (households) and funding by zip code/census tract
- Recipient demographic info (e.g., race/ethnicity, income level, etc.)
- Number of households subscribing to service

## Project Management Measures

**On-Schedule:** A construction build-out schedule with project milestones, showing the time frames for accomplishing the project objectives and activities on a quarterly basis. This schedule should list all the major network build-out phases and milestones to demonstrate that the network deployment will be completed, and the grant purposes will be fulfilled within the designated grant period as well as assumptions regarding equipment supply chain. The timeframe for completion is spread quarterly over the course of 3 years.

**On-Budget:** A detailed budget of all expenditures related to eligible grant purposes. The budget should include a descriptive name for each capitalized item or group of items in each category whether grant eligible or not. Any ineligible costs necessary for the project, such as building renovations, or similar, must be listed with the costs in the other sources of funding column. As the quarterly reports are provided and compared to the quarterly reimbursement amounts the office will ensure that the budget remains on track not to exceed the award amount.

**On-Quality:** Quality of the project itself will be identified as homes passed and homes served. This information is collected within the system design and includes: The types of services (voice, video and/or data) offered and the number of subscribers taking each type of service; The types of technologies used in the network; The total number of end users served. Within the quarterly reports the awardees will provide actual numbers of subscribers being the homes served in comparison to the proposed take rate.

## 5B – Broadband Services Statewide

Project ID	5B
Project Name	Broadband Services Statewide
Budget	\$2,000,000
Expenditure Category	5.21 - Broadband: Other projects

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
5B.2	Recovery Now - Broadband	\$2,000,000	\$2,000,000	Completed

### Project Description

This SLFRF project provided immediate financial assistance to construct broadband infrastructure necessary to quickly provide service at the Broadband Grant Speed in areas where broadband service did not currently exist. The [Department of Housing and Community Development \(DHCD\)](#) funded three broadband projects across the state: ThinkBig Network in Harford County, Bay Country Communications in Dorchester County, and Maryland Broadband Cooperative in Wicomico County. Projects were selected based on location and the ability to be completed by June 30, 2021.

Types of projects pursued serve a proposed funded service area where broadband service does not currently exist. All funded projects will provide a minimum internet connectivity of 25 Mbps down and 3 Mbps up with a maximum latency of 50 milliseconds. The network must be capable of providing the minimum connectivity to all subscribers within the proposed Project area. The reason for the grant speed ensures reliability of connection to households who have been suffering from unreliable speeds.

### Project Activities

Activities may consist of the following but not limited to:

- The construction of facilities used to deploy service at the Broadband Grant Speed to all end users located within the project funded service area
- Middle mile infrastructure directly necessary to provide service to an end user
- Purchase and installation of equipment and electronics necessary to deliver service to an end user
- Tower construction and/or tower structural improvements is an eligible cost

### **Equity Related Activities**

The office requires all projects to provide demographics of the project funded areas. These demographics we can utilize to identify project areas that provide service to underserved, low-income, and minority communities.

### **Community Engagement Related Activities**

Any project plan must include the coordinated involvement of multiple stakeholders and partnerships that will benefit all participants. The Broadband Office has met with elected leaders (creation of a task force) to facilitate discussions and gauge their feedback on broadband service offerings and future needs. The office has also met multiple times with local community organizations and ISPs to better understand their needs and the impacts their programs have on the communities they serve.

### **Equity Related Awareness, Access, and Distribution**

Our programs are built to provide both an equitable and inclusive awareness to communities and those eligible households. The versatility of our awareness and access ensure that all possible measures of distribution are accounted for.

DHCD has worked with ISPs on providing advertisements online and on TV and has partnered with local community organizations to post flyers facilities and multi-family dwelling units.

### **Intended Outcomes**

Effective solutions will vary with the geographic, demographic, political, economic, and technological topology of areas and communities. In Maryland, broadband service needs are being met through a mix of private sector, public sector and cooperative owned networks with varying levels of coverage. As such the outcomes of our projects vary but are weighted within the same goal, ensuring every Maryland resident has access to reliable internet service.

### **Equity Related Outcomes**

Our outcomes and goals vary greatly as the office would like to see the greatest impact for our projects to close the digital divide. The divide is between those geographic areas that have access equal to or greater than the latest FCC broadband standard and those areas that have access to speeds under the standards. It is important to note that the divide also exists between households who have the digital skills, literacy and perceived need to adopt and utilize broadband technologies and those who do not. Rural areas are particularly affected by both aspects of the digital divide. The office expects to utilize the demographic data provided within the applications to better understand and address the digital equity concerns in unserved areas of Maryland.

## **Use of Evidence**

The office has administered, reviewed and evaluated infrastructure related funding and Broadband infrastructure projects since 2019. This project will be the 3<sup>rd</sup> year of the Office's establishment of Broadband Projects. Based on the impact, testimonials, and data received from these past projects we believe the need for the above referenced projects to be designed relevant to the needs of Maryland's Broadband gaps. The previous similar projects that precede these are as follows:

- 2019 Infrastructure Pilot Projects (10)
- 2020 Network Infrastructure Projects (4)
- 2020 Infrastructure Pilot Projects (20)

## **Labor Practices**

Project awardees may not discriminate against and hereby certifies that it prohibits discrimination against and will not discriminate against any person on the basis of race, color, religion, ancestry, creed or national origin, sex, marital status, physical or mental handicap, sexual orientation, or age in any aspect of its operations. Awardees shall comply with applicable federal, state, and local laws regarding discrimination and equal opportunity in employment. In addition, all awardees, contractors, and subcontractors working on the Infrastructure must abide by both the Maryland Wage Payment and Collection Law as well as the Maryland Wage and Hour Law. The Maryland Wage and Hour Law is similar to the federal Fair Labor Standards Act (FLSA), but contains some important differences.

## **Performance**

**On-Schedule:** The Projects concluded within the provided timeframe as agreed upon between the awardee and the office. The proposed schedule for each project was closely followed and the build-out aligned with the proposals. Still awaiting the final close-out reports.

**On-Budget:** The Projects concluded within the awarded budget as agreed upon between the awardee and the office. The proposed budget for each project was closely followed and the provided reimbursements were in line with the eligible cost associated with each project. Budgets did not exceed the award amounts.

**On-Quality:** Final quality action items are not available at this time as the office is awaiting the final close-out reports.

## Revenue Replacement

Expenditure Group 6 is for Revenue Replacement projects. This section describes the loss in revenue due to the COVID-19 public health emergency, and how funds have been used to provide government services.



## 6A – Revenue Budget Relief

Project ID	6A
Project Name	Revenue Budget Relief
Budget	\$633,620,000
Expenditure Category	6.1 - Provision of Government Services

**Financial Summary**

ID	Subproject Name	Budget	Expenditures	Status
6A.1	Charlotte Hall Veterans Home	\$6,520,000	\$2,575,000	Less Than 50% Complete
6A.2	Transportation Trust Fund - Maryland Department of Transportation - Maryland Transit Administration	\$500,000,000	\$300,000,000	More Than 50% Complete
6A.3	Maryland Transit Administration - Farebox Revenue Replacement	\$2,000,000	\$1,540,095	More Than 50% Complete
6A.4	Additional Maryland Department of Transportation (MDOT) Relief	\$40,000,000	\$40,000,000	Completed
6A.5	Recovery Now - State Highway Administration - State Systems Maintenance	\$10,000,000	\$10,000,000	Completed
6A.6	Recovery Now - Maryland Department of Transportation - Transit Operations	\$10,000,000	\$10,000,000	Completed
6A.7	Recovery Now - Main Street	\$2,000,000	\$2,000,000	Completed
6A.8	Substitute the Housing Counseling Fund	\$1,100,000	\$1,100,000	Completed
6A.9	Telework for State Employees	\$10,000,000	\$999,999	Less Than 50% Complete
6A.10	Vaccination Lottery	\$2,000,000	\$2,000,000	Completed
6A.11	COVID-19 Steady State	\$50,000,000	\$0	Not Started

This project provides revenue replacement for state programs that experience financial losses due to the pandemic. There are eleven (11) subprojects:

### **6A.1 - Charlotte Hall Veterans Home**

This project supports the Maryland Department of Veterans Affairs assisted living and skilled nursing care facility - [Charlotte Hall Veterans Home](#).

Charlotte Hall Veterans Home has been proudly “Serving Those Who Served” since 1985, and offers a continuum of care from its 126-bed assisted living program to its 318-bed skilled nursing program. The home is Medicare/Medicaid certified, and all veterans receive a per diem subsidy from the U.S. Department of Veterans Affairs. Its mission is to continually deliver a safe, dignified, and compassionate health care system, and to provide a nurturing and engaging home environment for Maryland’s veterans.

[In 2016, the state established the Charlotte Hall Veterans Home Fund as a special, nonlapsing fund to maintain the operation of the facility.](#) Its intent was to improve fiscal stewardship by reducing the state’s exposure to financial volatility / risk. Under the contract with the facility’s management, all federal funds provided to the state, for example the per diem subsidy from the U.S. Department of Veterans Affairs, are remitted to the contractor. In exchange, the contractor makes bed lease payments that are paid regardless of whether all beds are filled. The bed lease payments are then used to pay for costs.

When the pandemic hit, and nursing facilities were described as high risk COVID hot spots, the count of filled beds at Charlotte Hall shrank by 25%. As a result, federal subsidies were decreased. They have not returned to pre-pandemic levels of occupancy. SLFRF provides valuable relief to balance revenue attrition with the need for quality care / services, medical staffing, and maintenance.

The prioritized use of SLFRF supports staffing based on projections to bring the resident count back to pre-pandemic levels. The tight labor market and perceptions of COVID in nursing facilities has slowed this progress. To that end, SLFRF supported Charlotte Hall with the needed \$2,575,000 in Fiscal Year 2021 - 2022, and \$3,945,000 next year.

The Maryland Department of Veterans Affairs (MDVA) is scheduled to provide an updated report on progress to the Maryland Department of Legislative Services on October 1, 2022. The report is expected to contain an update on performance including the resident population’s needs, staffing, oversight, and projections for returning to pre-pandemic levels.

## **Maryland Department of Transportation SLFRF Projects**

### **6A.2 - Help out the Transportation Trust Fund (TTF) - Maryland Department of Transportation - Maryland Transit Administration**

### **6A.3 - Maryland Department of Transportation - Maryland Transit Administration - Farebox Revenue Replacement**

### **6A.6 - Recovery Now - Maryland Department of Transportation - Transit Operations**

The Maryland Department of Transportation (MDOT) Maryland Transit Administration (MTA) is responsible for the construction, operation, and maintenance of the Baltimore metropolitan area transit system and commuter services in suburban areas of the state. Transit modes include bus (local and commuter), mobility paratransit, the Baltimore Metro, light rail, and commuter rail, known as Maryland Area Regional Commuter (MARC) rail.

Pandemic related closures significantly impacted MDOT MTA's operations and budget. The commuter bus and MARC train services experienced the steepest reduction in ridership, with declines of more than 90% as compared to ridership before the pandemic.

A decline in ridership directly translates to a decline in revenues. MDOT MTA's operating revenues in FY 2022 were 54% lower (-\$91 million) than the pre-pandemic forecast published in January 2020. In addition to operating revenues, MDOT MTA's budget relies heavily on support from other transportation taxes and fees, which were also negatively impacted by COVID-19, including motor fuel tax revenue, which was 11% lower (-\$140 million) in FY 2022 than had been forecasted pre-COVID. The SLFRF provided relief from lower revenue, particularly in bus operations.

### **Project Activities**

Despite the significant decrease in transit ridership, and thus transit revenues, during the COVID-19 pandemic, transit remains a critical service connecting essential workers and others to employment, housing, healthcare, schools, and shopping. Support from the SLFRF allowed MDOT MTA to continue to provide service despite decreased ridership, decreased revenues, and increased costs for janitorial services, personal protective equipment, employee incentives, and other needs related to the pandemic response.

#### *Fare Increases for Riders Were Postponed:*

MDOT MTA is legislatively mandated to increase transit fares for core service every two years under the Maryland Transportation Infrastructure Investment Act of 2013. Fares for core service were last changed in 2019. The 2013 law mandates that fares increase a minimum of 10 cents or higher every two years based on the Consumer Price Index for all Urban Consumers (CPI-U) calculation. As a result, fares were set to increase from \$1.90 to \$2.00 – for Local Bus, Light Rail and Metro Subway. Mobility single-trip fares were set to increase from \$2.10 to \$2.20. The new fares were set to be effective on June 27, 2021.

Recognizing the importance of transit to Marylanders, Governor Hogan used SLFRF to delay the impact of the transit fare increases by one year. As a result, core service riders continued to pay \$1.90 and Mobility riders continued to pay \$2.10 through June 26, 2022.

*Full Service Was Restored for Commuter Bus and MARC:*

The SLFRF supported the incremental expenses incurred in restoring full service for commuter bus and MARC services, despite a continued lower level of demand. In November 2020, MARC and commuter bus services began operating under reduced schedules, as they did at the height of the pandemic emergency.

Full service resumed for MARC and commuter bus services on August 30, 2021. The temporary reductions in MARC and commuter bus service included reducing service frequency while retaining the overall span of service on each route, as is implemented on holiday and snow event schedules. The reductions allowed MDOT MTA to preserve MARC train slots on the rails owned by CSX and Amtrak and the contracts with commuter bus providers.

Core local bus and mobility paratransit continued to operate on their standard schedules. Transit ridership data and public feedback indicated that it was essential to preserve core bus service.

*Sanitizing Efforts and Employee Incentives Were Maximized:*

The MDOT MTA made significant efforts to ensure that touch points on transit modes were as safe as possible. Touch points were sanitized daily or even more frequently in facilities and on all MDOT MTA vehicles. The sanitizing agents were government approved.

Also, MDOT MTA provided enhanced benefits to employees to reward their commitment to work during difficult conditions. Employees in certain classifications who were required to work onsite during the pandemic received a response pay differential, which is an additional \$3.13 per hour. Employees also received bonus payments and incremental leave time.

The SLFRF supported the sanitizing efforts and employee incentives that were necessary to maintain and restore critical transit services while pandemic conditions continued.

**6A.5 - Recovery Now - Maryland Department of Transportation – State Highway Administration - State Systems Maintenance**

The MDOT State Highway Administration (SHA) is responsible for building and maintaining Maryland's numbered highways and bridges outside of Baltimore City. MDOT SHA also oversees operation of traffic and roadway monitoring and management, incident management, traveler information, and snow removal.

As with MDOT MTA, pandemic related closures impacted MDOT SHA's operations and budget. The number of vehicle miles traveled declined from 60 billion in FY 2019 to 51 billion

in FY 2020, which is notable, but travelers returned to the roads quickly. Therefore, the needs for highway services did not decline as steeply as the overall revenues available to fund the services. The SLFRF allowed critical highway operations and maintenance activities to continue despite reduced revenue collections.

#### **6A.6 - Recovery Now - Maryland Department of Transportation - Operations Support**

The MDOT Secretary's Office (TSO) is responsible for policy direction, department wide support, and administrative coordination for each of its business units, including MDOT MTA and MDOT SHA, among others. In the context of the pandemic, MDOT TSO ensured that transportation services continued to operate 24/7/365 to provide critical transportation alternatives to first responders, essential workers, and others to access jobs and medical services and to ensure the movement of goods through the Port of Baltimore, the Baltimore/Washington International Thurgood Marshall Airport, and the highway system. Throughout the COVID-19 pandemic, Maryland's transportation system has exemplified the tremendous resiliency of Maryland's people and its economy. The SLFRF provided relief to offset revenue declines so that MDOT TSO could continue to serve as the critical backbone of coordination and communication for all of MDOT.

#### **Activities for Subproject 6A.5 - Maryland Department of Transportation - State Highway Administration - State Systems Maintenance**

During the pandemic, Maryland citizens returned to the roads quickly after the initial closedown phase. Furthermore, many of MDOT SHA's responsibilities in maintaining highways must continue whether traffic trends are increasing or decreasing. As a result, MDOT SHA operations had to respond swiftly to pandemic conditions to ensure that roads were continuously monitored and maintained. The SLFRF supported MDOT SHA's work in road patching, roadside mowing, debris removal, inspections, and cleaning of ditches and inlets, among other activities.

#### **Activities for Subproject 6A.6 - Recovery Now - Maryland Department of Transportation - Transit Operations**

Transportation services are a 24/7/365 service, and transportation has played a crucial role in Maryland's response to the pandemic. The work of MDOT was integral to ensuring that first responders, essential workers and others could continue their work despite pandemic conditions.

MDOT TSO is the central coordinating unit that ties together the wide-ranging efforts of its business units, including the State Highway Administration, the Maryland Port Administration, the Motor Vehicle Administration, the Maryland Transit Administration, and the Maryland Aviation Administration.

The SLFRF support enabled MDOT TSO to oversee and coordinate MDOT's rapid responses to the pandemic. These responses included: purchasing emergency supplies such as personal protective equipment, sanitizing agents, and plexiglass to keep MDOT's workers and the traveling public safe; hosting vaccination and booster clinics for frontline MDOT employees; supporting statewide efforts to establish testing and treatment sites; deployment of technology

devices and software to enable remote work; development of policies and procedures for employee telework and pandemic related leave; and administration of employee bonus incentives.

### **Equity Related Activities**

Access to transportation is one of the most critical social determinants of health. For minority and low-income communities, safe and affordable mobility options are essential for overcoming long-standing disparities in the distribution of opportunities and resources. MDOT's dedication to customer service and innovation for the public good is inseparable from our commitment to diversity, equity, and inclusion. It is central to our mission as a government agency to ensure that each member of our community has full opportunity to thrive in our environment.

In 2021, MDOT MTA published its draft Statewide Transit Plan, a collective vision and goals to improve public transportation over the next 50 years. MDOT MTA will focus on seven overarching goals to guide Maryland's transit investments into the future. These goals are to be equitable, accessible, and affordable; ensure a safe and healthy transit environment; provide mobility between regions; connect people to jobs and opportunities; deliver reliable and convenient service; be sustainable, nimble, and innovative; and invest wisely and sustainably.

In April 2022, as transit ridership in the Baltimore region continued to recover from the COVID-19 pandemic, MDOT MTA announced a service realignment to expand access, improve reliability, and optimize schedules on its local bus system.

On July 1, 2022, MDOT MTA released its updated Capital Needs Inventory and Prioritization Report detailing the agency's progress in reducing its State of Good Repair backlog from 16.2% of all assets to 14.4% over the last three years. Expected levels of state and federal funding through 2031 will further reduce that number to 1.3%, meeting 98% of State of Good Repair needs.

### **Timeline**

The SLFRF funds allocated to MDOT have supported activities in FY 2021 and 2022, and additional funds are set to be spent in FY 2023. Given that the funds received by MDOT are for revenue replacement for regular government operations, the activities are ongoing and largely consistent from year to year.

### **Primary Delivery Mechanisms**

MDOT engages in an open, competitive, and inclusive procurement process and strives to increase opportunities for minority-, women-, and veteran-owned business, as well as small businesses. Transit services at MDOT MTA are delivered by a combination of state workforce and contracted services. Similarly, highway operations and maintenance rely on both state and private employees to connect our customers to life's opportunities.

## **Intended Outcomes**

The intended outcome of MDOT's use of SLFRF is to offset revenue shortfalls caused by the pandemic so that Maryland's critical transportation activities can continue. In FY 2021 and 2022, MDOT's goals were to:

- minimize disruptions to transportation services for Marylanders caused by the pandemic;
- ensure that any change in services resulting from depressed demand would preserve an essential level of service; and
- continue efforts already in progress to improve service performance.

## **Equity Related Outcomes**

Through continued efforts to develop its Statewide Transit Plan, MDOT MTA identified strategies that it will use to progress toward its vision to deliver a transit system that will connect people, places, and opportunities with efficient, equitable, sustainable, and innovative transit. These strategies include ensuring that transit resources meet the needs to underserved and overburdened communities; continuing to welcome all people onto transit, without tolerance for harassment or discriminatory behavior; providing fully accessible training for people of all cognitive and physical abilities; reducing cost as a barrier to offering transit by offering flexible and discounted options for paying fares; and enhancing opportunities for riders to share their transit experience and show how feedback is put into action.

## **Websites**

### **Maryland Transit Administration (MTA)**

- [Home page](#)
- [News page, with information on MDOT MTA responses to the pandemic](#)
- [Performance improvement](#)

### **State Highway Administration (SHA)**

- [Home page](#)
- [Coronavirus updates](#)
- [Information center](#)

### **MDOT Secretary's Office (TSO)**

- [Main page](#)
- [Page with information on responses to and effects from the pandemic](#)

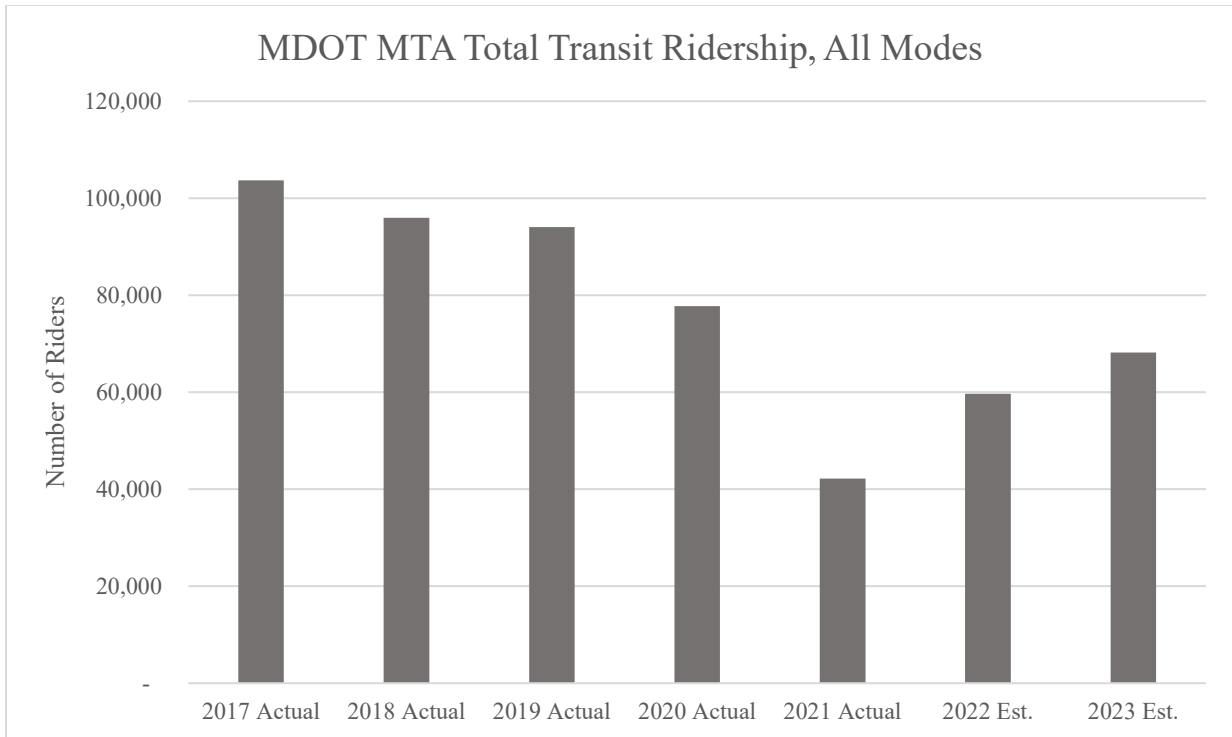
**Performance**

MDOT continuously monitors and evaluates its performance. This is not only required by law for certain aspects of performance, it is an approach that is fully embraced and promoted at MDOT. The agency’s mission is to be a customer-driven leader that delivers safe, sustainable, intelligent, and exceptional transportation solutions in order to connect our customers to life’s opportunities.

**Maryland Transit Administration**

Despite decreased ridership and revenue, MDOT MTA was able to continue to provide critical transportation services to essential workers and others.

*Transit ridership*



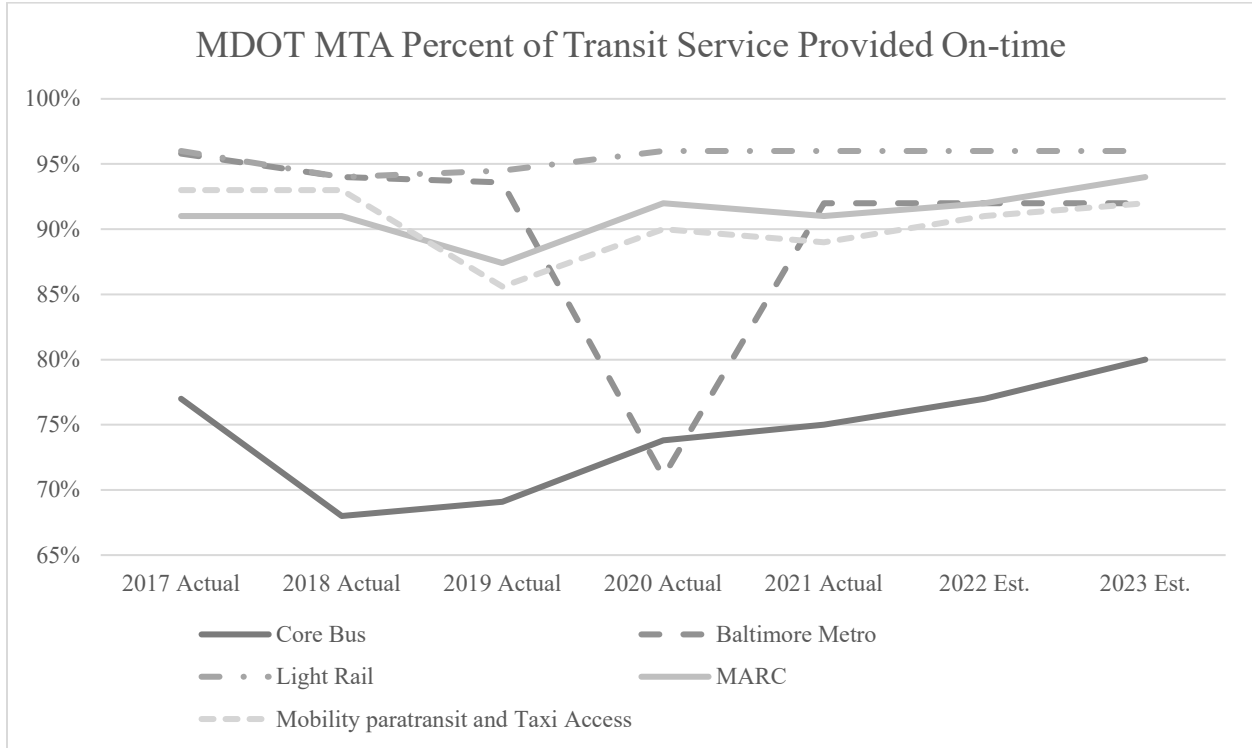
Source: MDOT Managing for Results submission for FY 2023.

Results show gradual increases in ridership across all modes in 2022 and 2023, but not a full recovery due to new travel patterns for workers.

The total transit ridership measure is based on monthly reports from each mode (except light rail, traditional mobility and taxi access) of unlinked passenger trips.



*On-time Performance*



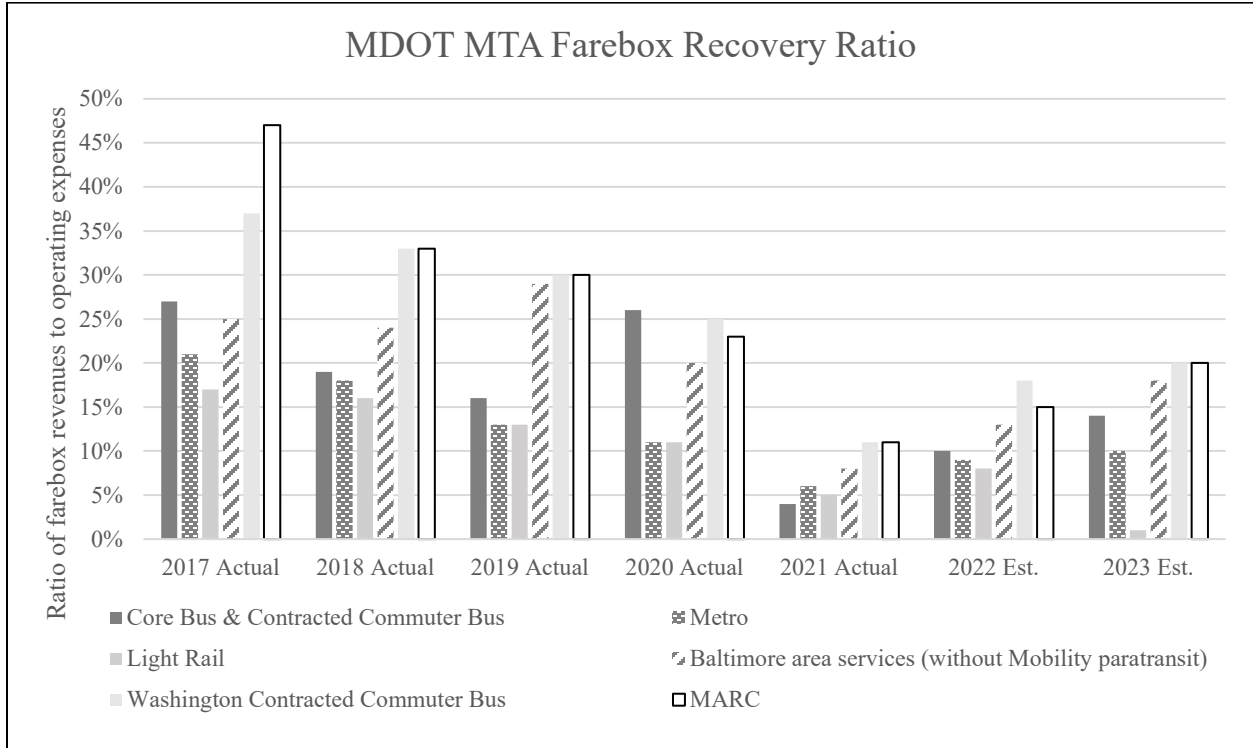
Source: MDOT Managing for Results submission for FY 2023.

The on-time performance measure shows the percent of MDOT MTA services that meet scheduled service times. On-time performance was affected by the pandemic due to staffing and scheduling challenges, but performance has rebounded.

Core bus service is a highpoint in recent efforts to improve on-time performance. MDOT MTA’s BaltimoreLink, launched in 2017, represents a complete overhaul and rebranding of the core bus system. Previously, the bus network had many routes that were antiquated, served outdated job locations, and were too long to manage reliably, especially those that traversed downtown Baltimore. BaltimoreLink established an efficient and reliable bus network by spreading out the routes in the downtown core and creating a grid of high-frequency routes. Infrastructure improvements have been made, including dedicated bus lanes and transit signal priority installation. As a result, core bus on-time performance has continued to rise, even in pandemic conditions.

On-time performance is a measure of quality. Performance standards are different for each mode. The calculation method is percent of trips arriving on time divided over percent of trips scheduled, including scheduled trips that were run and scheduled trips that were not run. On-time performance is calculated using an exception-based method by subtracting the amount of service not performed on time from the amount of total scheduled service. Core bus, Baltimore metro, light rail, and mobility paratransit use data from internal software systems. MARC rail data is made available by the contracted service providers.

Farebox Recovery



Source: MDOT Managing for Results submission for FY 2023.

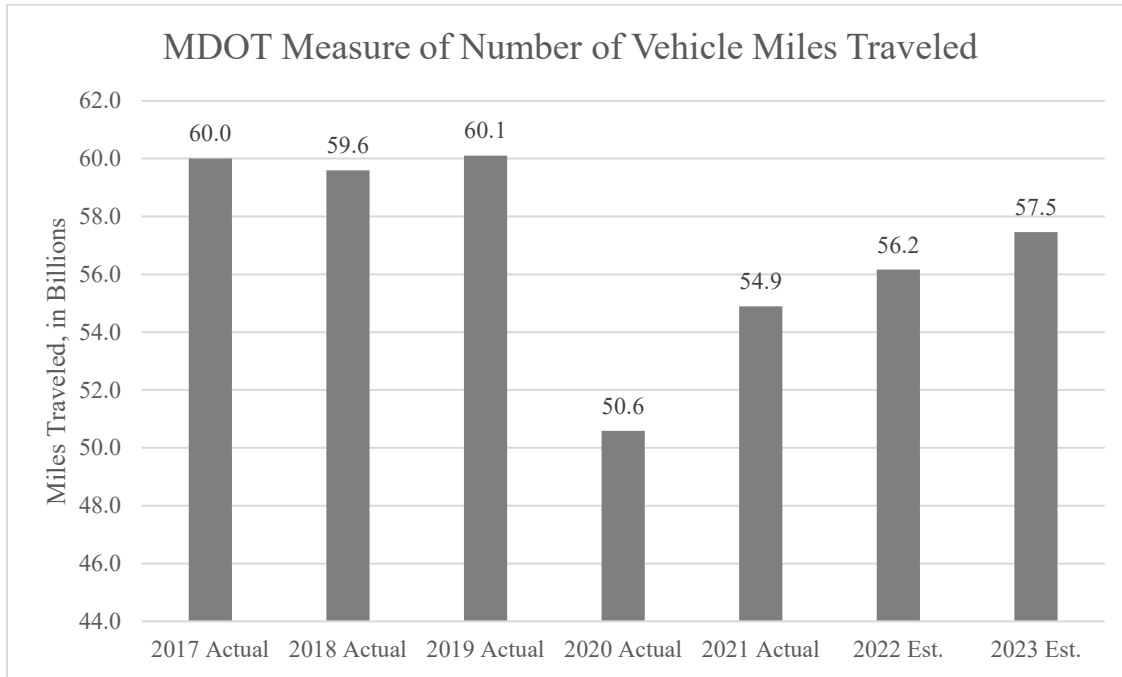
The farebox recovery measure is the ratio of farebox revenues to operating expenses. The numerator of the equation is farebox revenues plus some non-farebox revenues, such as advertising on transit vehicles and in stations. The denominator is operating expenses. Capital expenditures are not included in the calculation.

Although few transit systems worldwide generate sufficient revenues to cover operating expenses, farebox recovery is still a useful tool in the context of understanding the amount of operating revenues and public subsidy required to operate the transit system. The COVID-19 pandemic exacerbated an existing decline in ridership, revenues, and farebox recovery, which required greater public subsidy to continue to operate the system. This need for greater public subsidy came at a time when many state revenues were also being negatively impacted by the COVID-19 pandemic. Recovery of transit ridership and revenues is expected to occur at a much slower pace than the recovery of other transportation services, several of which have already fully rebounded from the negative impacts of the pandemic.

**State Highway Administration**

Despite a temporary decline in vehicle miles traveled, travelers returned to the roads quickly and MDOT SHA maintained service levels and investments in its system.

*Vehicle Miles Traveled*

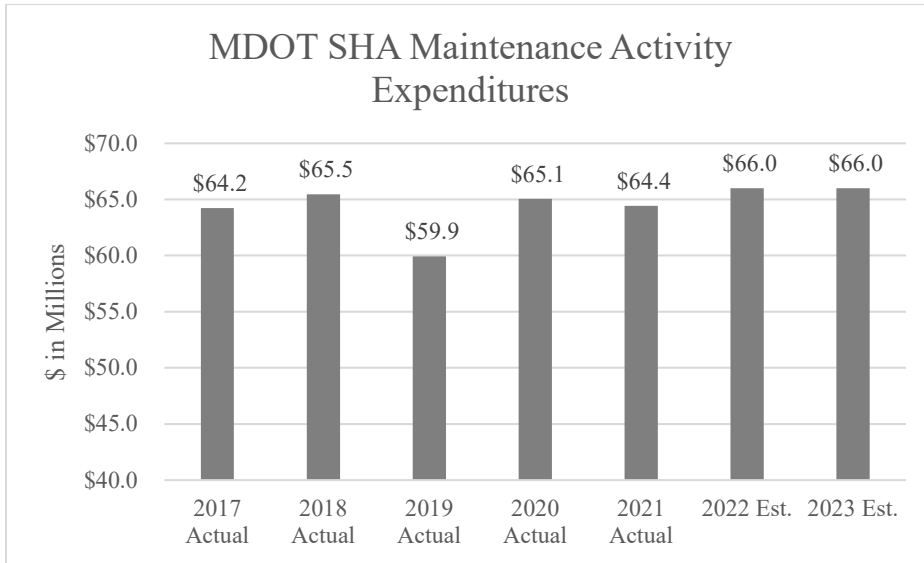


Source: MDOT Managing for Results submission for FY 2023.

The measure of annual vehicle miles traveled decreased by approximately 16% in FY 2020 as a result of the COVID-19 pandemic national shut down orders. The lifting of these orders in 2021 resulted in a steady increase in vehicle miles traveled. Growth is expected to continue into FY 2023 and the following years.

Vehicle miles traveled is an input measure. It represents the annual average daily traffic, or average number of vehicles traversing a section of road in a day, multiplied by the length of roadway. The traffic data does not include parking lots or private streets. The measure of annual vehicle miles of travel represents the vehicles miles of travel for a particular section of road, multiplied by 365. Annual calculations are completed each June and submitted to the Federal Highway Administration. Estimates for future years are based on a rolling average of the prior 10 years, adjusted to reflect monthly estimates, general economic trends, and other factors such as weather.

*Maintenance Activity*

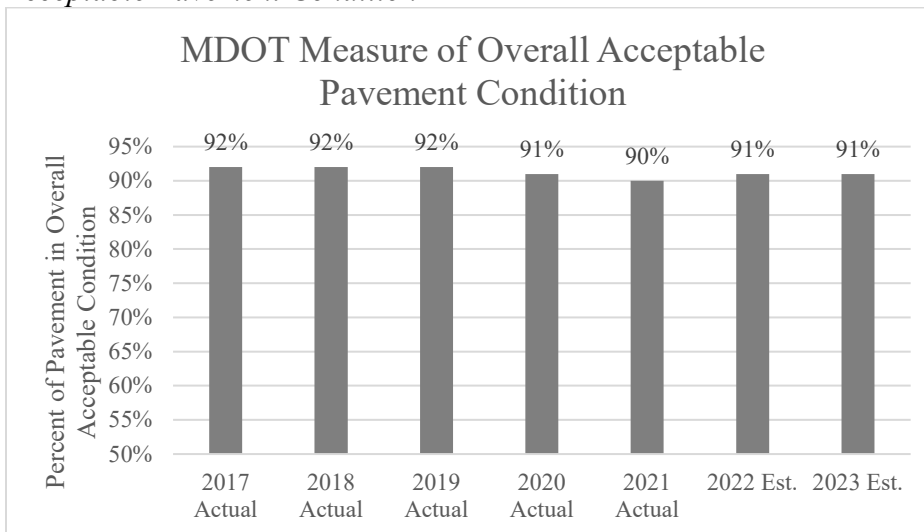


Source: MDOT Managing for Results submission for FY 2023.

Maintenance activity expenditures were affected by the COVID-19 pandemic. Shut down orders and the changes needed to keep workers safe resulted in lower than planned maintenance activity. Maintenance expenditures have rebounded and are now in line with prior levels.

This is an output measure, representing expenditure data from MDOT SHA’s seven maintenance districts, Office of Maintenance, Office of Traffic and Safety, Statewide Operations Center, and Office of Environmental Design. Expenditures include payroll, equipment, and usage costs.

*Acceptable Pavement Condition:*



Source: MDOT Managing for Results submission for FY 2023.

Despite the challenges presented by the pandemic, including the need to provide safe working conditions for road maintenance crews, MDOT SHA has kept more than 90% of the pavement on its roadways in overall acceptable condition.

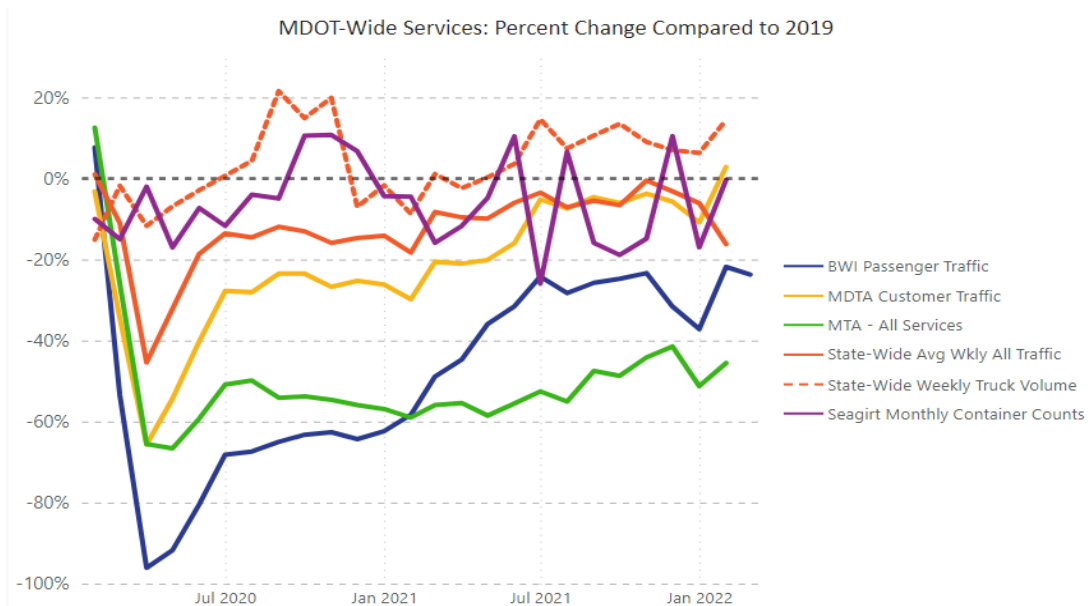
Overall acceptable pavement condition is an outcome measure. It is an estimated value based on an analysis of State of Good Repair, incorporating remaining service life measured on a scale of 0 to 50 years. Roadway mileage is defined as the number of mainline lane-miles of highways owned by MDOT SHA, including both directions of divided and undivided highways. A lane mile is one lane width multiplied by one mile in length.

Data collection for ride quality, functional cracking, structural cracking, and rutting is conducted using Automated Road Analyzer (ARAN) vehicles. Friction data is collected using skid trucks. ARAN collection is conducted on highways at least one mile long on an annual basis, while routes of less than 1 mile and ramps are measured on a 3-year cycle. Typically, friction collection is conducted on highways at least one mile long, in one direction, alternating each year. Friction data for routes of less than 1 mile and ramps are measured on a 2-year cycle.

As of June 2020, MDOT SHA adopted a new friction management approach that considers the friction demand of each roadway segment. This approach identifies sections where skid resistance is most needed and is an example of MDOT SHA’s commitment to continue performance improvements even while operating under difficult pandemic conditions.

### Maryland Department of Transportation - Transportation Secretary’s Office

Transportation is an essential 24/7/365 operation that must continue to operate and be available to first responders, essential workers, and others despite pandemics or other emergencies. Performance for MDOT TSO is related to coordination and communication of performance at the MDOT business units. The following snapshot is from an [interactive graph of MDOT pandemic responses to and effects from the pandemic, as an example of coordination and monitoring by MDOT TSO.](#)



## 6A.7 - Recovery Now - Main Street

The Department of Housing and Community Development's Recovery Now - [Main Street Maryland](#) grant program provided funding to the state's 33 designated Main Street Maryland communities and Baltimore City's 8 designated Main Street neighborhoods to support the economic recovery of local Main Street businesses and the economic development of Maryland communities. Funding awards were based on the Main Street's ability to demonstrate the impact and leverage of their existing or planned COVID-19 relief grant fund for businesses, the demand for additional operating resources (training, technical assistance and/or marketing) to support the businesses, and the Main Street's ability to award grant funds and/or provide other resources to those businesses no later than June 30, 2021.

Eligible uses were for existing and/or planned small business relief grant programs, administered by the local government or nonprofit applicant, that would provide businesses assistance with costs related to capital improvements and/or operating in order for the business to continue to safely operate, expand operations and/or adapt their business model to respond to changes due to COVID19 restrictions and prevention.

No more than 15% of the requested funds could be used for operating support that would specifically benefit Main Street businesses such as training, technical assistance and/or marketing efforts such as, but not limited to: assisting Main Street businesses establish online sales, design and merchandise training to adapt retail space to accommodate COVID-19 requirements, providing small business counseling or offering a buy local/gift card program to support Main Street businesses

The Department of Housing and Community Development paid awarded funds directly to the local government or nonprofit organization that administers the local Main Street effort for state or Baltimore City designated Main Street communities

The application round opened on November 2, 2020 and closed on November 20, 2020. Governor Hogan announced the awards in February 2021. All of the state's 33 designated Main Street Maryland communities and Baltimore City's 8 designated Main Street neighborhoods applied for and received awards of funding to support their operating and capital grants to businesses in their Main Street districts. All funding was distributed to awardees by March 30, 2021 and awardees utilized those funds by June 30, 2021

### [Governor Hogan Announces \\$7 Million in Emergency Relief Awards for Main Street Communities](#)

There were 5,040 businesses (*3,892 in Main Street Maryland communities and 1,148 in Baltimore City Main Streets*) that were eligible to apply.

### **Equity Related Activities**

The small businesses located throughout the state and Baltimore City-designated Main Street districts represent a number of minority and women owned businesses.

**Performance**

The funding distribution report shows by jurisdiction the name of the awardee (local government or nonprofit) and the amount of the award that was used to provide COVID-19 relief grants to businesses in their designated Main Street and/or provide technical assistance and services to support the recovery of those businesses.

[Funding Distribution of Main Street Program Grants by County, Zip Code and Awardee](#)

**6A.8 - Substitute the Housing Counseling Fund**

This subproject offsets a revenue shortfall in the Maryland Housing Counseling Fund. The Maryland Office of Administrative Hearings (OAH) conducts administrative hearings on behalf of the state and other government agencies. By law, persons adversely affected by agency actions are entitled to an administrative hearing. The hearings are conducted by Administrative Law Judges who adjudicate questions of fact and law.

Each year, the Maryland Office of Administrative Hearings (OAH) charges state agencies a predetermined fee based on the number of hearings that were conducted in relation to the agency during the prior fiscal year. The Department of Housing and Community Development (DHCD) typically pays its OAH fee using revenue from the Housing Counseling and Foreclosure Mediation Fund (§ 4-507). This revenue is collected from foreclosure-related filing fees. The state’s foreclosure moratorium throughout the COVID-19 pandemic resulted in a revenue shortfall. The \$1,100,000 budget for this subproject was used to offset the shortfall in FY 2021 to cover the fee to OAH.

**Performance**

Foreclosure Mediation	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY21 TOTALS
Requests for Mediation	472	176	82	39	769
Open Cases	793	549	491	440	2,273
Closed Cases	150	107	55	58	370

## 6A.9 - Telework for State Employees

Ensuring information technology needs are met for teleworking state employees is a key externally to digital community engagement and internally to retaining valuable professionals. The Department of Information Technology (DoIT) utilized SLFRF as follows:

Enabled Telework and Remote Access for Thousands of State Workers

- Expanded the number of state employees configured to telework by expanding VPN users from 1,000 to 10,000.
- 600 additional telecommunications VOIP and ACD licenses procured to support migration of call center agents from state locations to telework.
- In total, almost 4,100 devices were provided by DoIT in support of the state's COVID-19 initiatives.
- Have increased bandwidth on all high speed data circuits impacted by the shift in data traffic resulting from telework.
- Upgraded bandwidth at the Salisbury Unemployment Insurance location. This type of upgrade normally takes two weeks, the DoIT team completed it in under 24 hours.

### Equity Related Awareness, Access, and Distribution

The state's website, [Maryland.gov](https://www.maryland.gov) received the [Center for Digital Government GOVX 2021 Overall Winner Award \(3<sup>rd</sup> Place\)](#) for Government Customer Experience. [Maryland.gov](https://www.maryland.gov) also won best in class from the Interactive Media Awards in 2022. Maryland's ongoing push toward a unified and mobile-friendly citizen experience across all channels is mission critical to equity related awareness, access, distribution.

[COVIDLINK](#) provides a central source for public access to vaccine, testing and treatment, and contact tracing resources. DoIT and MDH have partnered to develop "COVID Link", a state-of-the-art data management platform, to facilitate the state's contact-tracing effort. The platform is fully operational in all 24 jurisdictions. The innovative COVID Link platform uses medical data from the Chesapeake Regional Information System for our Patients (CRISP) so that officials gain crucial information to determine steps to lower the risk of the virus spreading.

[Maryland OneStop Portal](#) is an innovative approach to citizen engagement as it provides a single location for locating and submitting forms, and license and certification applications across the state government. Visitors benefit from intelligent search features and an intuitive, user-friendly design.

The OneStop Portal is also reducing the cost and burden for state agencies. Through the use of the OneStop Portal's powerful workflow engine, state agencies can now retire proprietary, custom license systems and fold forms and license processing operations into the tools provided by the OneStop Portal.



DoIT developed and launched multiple applications on the OneStop Portal during the COVID-19 pandemic including:

- Maryland Small Business COVID-19 Emergency Relief Loan Fund
- Maryland Small Business COVID-19 Emergency Relief Grant Fund
- Manufacturing Innovation Grant Application

DoIT implemented approval workflows for the Department of Commerce to process these applications as well as customized notifications to the applicants for when their applications are approved, denied, or missing documentation. Over 40,000 users are engaged with the new system. DoIT was able to integrate these applications into the OneStop Portal in days, saving Commerce valuable time (and cost) versus building a new system.

Throughout the COVID-19 Pandemic, the OneStop portal demonstrated its true value as a platform, as DoIT and the Department of Housing and Community Development (DHCD) administered numerous pandemic assistance programs for affected communities and local businesses, including:

- Nonprofit Recovery Initiative (NORI)
- NORI for Behavioral Health Administration
- Strong Economic Recovery Initiative (SERI) for Entertainment Venues
- SERI for Tourism
- SERI for Mainstreet
- Project RESTORE
- Community Safety Works (CSW)

## **6A.10 - Vaccination Lottery**

In an effort to get every eligible Marylander vaccinated, the Maryland Lottery partnered with the Maryland Department of Health (MDH) to thank vaccinated Marylanders while also incentivizing new vaccinations. Governor Larry Hogan launched a [\\$2 Million VaxCash Promotion](#). The promotion awarded cash prizes to a total of 41 Maryland residents who have been vaccinated.

Drawings were held daily from Tuesday, May 25 through Sunday, July 4. Maryland residents 18 and older who received a COVID-19 vaccination in Maryland at any time were eligible to win with no registration or entry needed. Each day from May 25 through July 3, one winner was randomly drawn to win a \$40,000 prize with the final drawing on the Fourth of July awarding one winner a grand prize of \$400,000.

Working in close collaboration with MDH, the Lottery assigned a number in a secure system for each Maryland resident aged 18 or older who received their vaccination. The system was maintained by MDH, which serves as the custodian of Maryland's vaccination records. Separately, the Lottery used a random number generator to select a winning number each day from the total number of people that had been vaccinated.

## 6A.11- COVID 19 Steady State

[On June 9, 2022, Governor Larry Hogan announced COVIDReady Maryland](#), the state’s long-term preparedness plan to maximize the tools and treatments available to keep people healthy and out of the hospital, and maintain a state of readiness to respond to emerging variants and potential waves. The plan, which emphasizes infrastructure, awareness, and adaptability, builds on the successful data-driven strategies that the state implemented throughout the pandemic.

SLFRF has been allocated to support COVIDReady Maryland. Prospective project activities may include:

- **Expanded ‘Test To Treat’ Provider Infrastructure.** ‘Test to Treat’ makes it easy for patients to get tested, evaluated, and treated during the same visit at the same location. Over the last three months, the state has nearly doubled its ‘Test To Treat’ sites to nearly 90 locations—including [the State Center site in Baltimore City](#). With a focus on equitable geographical distribution to ensure Marylanders can easily access treatments, the Maryland Department of Health is preparing dozens more urgent care and ambulatory care locations to be ready to provide these services by the fall. [Find a ‘Test to Treat’ site](#).
- **Maximizing Utilization of Therapeutics.** Therapeutics are a relatively new tool in the fight against COVID-19, but they are quickly becoming increasingly prevalent. In a month span this spring, therapeutic usage increased by 248%. While these treatments are not cures, they have a very high success rate of keeping people out of the hospital. State health officials will continue to encourage both patients and providers to take advantage of these treatments, which are now available at roughly 800 locations statewide. [Learn more about COVID-19 treatments and therapeutics](#).
- **Booster Shots for Eligible Populations.** Maryland continues to be one of the most vaccinated and boosted states in America. The state maintains a robust vaccination infrastructure—[well over 900 providers](#)—and is focused on getting more eligible populations boosted. With all the evolving guidance coming from the federal government, state health officials have launched a [new “Are You Up-To-Date?” portal](#) that will allow you to check your vaccination status within seconds. [Find a vaccination clinic near you](#).
- **Enhanced Awareness and Outreach.** The state’s GoVAX Call Center (1-855-MD-GOVAX) continues to be available seven days a week, and has now booked nearly 2 million appointments. In addition to providing a number of services for help with getting tested and vaccinated, the call center is conducting aggressive outreach around boosters and therapeutics. As of today, the call center’s volume includes more than 31.4 million calls and more than 16.5 million text messages. In addition, today, state health officials launched a new series of television, radio, and social media ads featuring Maryland

families sharing their reasons for getting vaccinated against COVID-19. The state also continues to partner with community-based organizations, including the NAACP, with a focus on equity.

- **State of Readiness for Variants and Waves.** Maryland’s multi-agency COVID-19 task force continues to meet on a daily basis and aggressively monitor key data metrics. The state will continue to maintain the building blocks of the state’s successful Roadmap to Recovery, including substantial PCR and rapid at-home testing capacity; a robust stockpile of masks and PPE; contact tracing for high-priority cases; and hospital surge capacity. In addition, the state has provided record funding for local health departments to help bolster their preparedness efforts as well.

## Administrative

Expenditure Group 7 is for Administrative Projects. For example, Units of Government Transfers.

## 7A – Units of Government Transfers

Project ID	7A
Project Name	Units of Government Transfers
Budget	\$153,620,235
Expenditure Category	7.2 - Transfers to Other Units of Government

**Financial Summary**

ID	Subproject Name	Budget	Expenditures	Status
7A.1	Education Trust Fund Backfill	\$116,131,810	\$116,131,810	Completed
7A.2	Fiscal Relief for Local Health Departments (LHDs) self-supported-fee-for-service Clinics	\$8,988,425	\$0	Not Started
7A.3	Home Detention for Early Release	\$5,000,000	\$25,455	Less Than 50% Complete
7A.4	Private Sector Telework	\$5,000,000	\$5,000,000	Completed
7A.5	Recovery Now - Department of Budget and Management - Disparity Grants	\$5,000,000	\$5,000,000	Completed
7A.6	Substitute for Public Health Costs	\$13,500,000	\$5,615,484	Less Than 50% Complete

Projects in this Expenditure Group do not require as much content to report as the previous sections given the nature of the projects. SLFRF Project 7A provides financial support by transferring SLFRF to other units of government. It includes six subprojects.

**7A.1 - Education Trust Fund Backfill**

This SLFRF project is to provide the funds necessary to offset the pandemic-related deficit in the Education Trust Fund used to fund the Foundation Program in fiscal year (FY) 2021.

The Maryland State Department of Education worked with the Comptroller's General Accounting Division to move FY 2021 special fund transactions for the Foundation Program to FY 2022 SLFRF prior to 6/30/22 using a journal adjustment.

## **7A.2 - Fiscal Relief for Local Health Departments' self-supported fee-for-service Clinics**

This SLFRF project provides fiscal relief to Self-supported Fee-for-service Clinics to assist with COVID-19 related revenue shortfalls. No expenditures have been made for this project. The state will provide an update on this project shortly.

## **7A.3 - Home Detention for Early Release**

Maryland courts may require, as a condition of a defendant's pretrial release, that the defendant be monitored by a private home detention monitoring agency (PHDMA). A defendant placed in private home detention must pay the agency's monitoring fee directly to the PHDMA.

Legislation passed during the 2021 Maryland legislative session (House Bill 316) prohibits a pretrial defendant from being required to pay a PHDMA for any costs or fees incurred if the defendant:

1. qualifies as indigent under § 16-210 of the Maryland Criminal Procedure Article or
2. is provided a private home detention monitoring device or global positioning system device by the state or a local jurisdiction. Instead, the state must pay a PHDMA for any costs or fees incurred by defendants who meet this criteria.

The bill took effect on July 1, 2021, and generally remains effective until one year after the end of the governor's proclamation of the COVID-19 state of emergency. Maryland utilized \$5 million in SLFRF to support the implementation of this new requirement. Funding was provided to the Maryland Legal Services Corporation (MLSC) to implement the project.

### **Use of Evidence**

According to the Centers for Disease Control, correctional and detention facilities face unique COVID-19 challenges, such as high risk of viral introduction and high risk of rapid transmission.<sup>25</sup> Pre-trial defendants that do not have the economic resources for home monitoring fees are confined to a detention facility with an increased risk of COVID-19. The American Bar Association notes that pre-trial detention has a disproportionate impact on communities of color and exacerbates economic hardships.<sup>26</sup>

### **Performance**

Recipients (defendants) and funding by zip code/census tract

Recipient demographic info (e.g. race/ethnicity, income level, etc.)

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<sup>25</sup><https://www.cdc.gov/coronavirus/2019-ncov/downloads/community/correction-detention/COVID-Corrections-considerations-for-loosening-restrictions-Webinar.pdf>

<sup>26</sup>[https://www.americanbar.org/groups/crsj/publications/human\\_rights\\_magazine\\_home/economic-justice/criminal-justice-debt-problems/](https://www.americanbar.org/groups/crsj/publications/human_rights_magazine_home/economic-justice/criminal-justice-debt-problems/)

## **7A.4 - Private Sector Telework**

This SLFRF project provided funding to local governments for grants of up to \$5,000 to businesses to improve employee telework opportunities. The Maryland Economic Development Assistance Authority and Fund (MEDAAF), within the Department of Commerce, provided grants to local jurisdictions (all 23 counties and Baltimore City). During the pandemic, telework opportunities helped certain businesses to reduce risk of COVID-19 transmission, increased retention, and offered businesses a wider applicant pool for recruiting.

Telework support funding was awarded to local jurisdictions in July and August 2021. Local jurisdictions then solicited grant applications and awarded grants to businesses to either facilitate new telework expansion or reimburse businesses for previous telework expenses.

### **Outcomes**

- Increased financial viability of businesses by adopting telework policies
- Reduced COVID-19 transmission risk

## **7A.5 - Recovery Now - Department of Budget and Management - Disparity Grants**

To mitigate the impact of the COVID-19 pandemic on local jurisdictions' ability to raise revenue, the Disparity Grant Program provided noncategorical state aid to low-wealth jurisdictions for use by local governments.

Disparity grants address the difference in the abilities of counties to raise revenues from the local income tax, which for most counties is one of their larger revenue sources. Counties with per capita income tax revenues less than 75% of the statewide average receive grants unless a county has an income tax rate below 2.6%. Under current law, aid received by counties equals the lesser of the dollar amount necessary to raise the county's per capita income tax revenues to 75% of the statewide average or the amount received under capped provisions. SLFRF were used to provide additional grants to three jurisdictions to mitigate the impacts of the COVID-19 pandemic.

The Department of Budget and Management (DBM) worked with the Comptroller's Office to process the transfer payments totaling \$5 million. DBM initiated the transfer of funds on March 4, 2021 and direct vouchers were issued on March 9th.

- \$3,498,738 to Prince George's County
- \$360,034 to Dorchester County
- \$1,141,228 to Wicomico County

## **7A.6 - Substitute for Public Health Costs**

This SLFRF project provides operating grants to all 24 Local Health Departments that can be used for ten core services areas as outlined in Maryland Code, and to address COVID-19 related revenue shortfalls. Funds were distributed between 7/1/2021 - 6/30/2022. The assistance also helps to address increased demand for services going forward. Project expenditures are less than 50% complete.

### **Performance**

Aggregate number of full-time equivalents supported

Number of services provided



## 7B – Administrative Expenses

Project ID	7B
Project Name	Administrative
Budget	\$15,000,000
Expenditure Category	7.1 - Administrative Expenses

### Financial Summary

ID	Subproject Name	Budget	Expenditures	Status
7B.1	Administrative Expenses	\$15,000,000	\$964,246	Less Than 50% Complete

### Project Description

This project is for the management of SLFRF. This includes support for effective management and oversight, including for ensuring compliance with laws, regulations, and policies. Activities include providing policy support, eligibility and compliance guidance, technical assistance to state agencies, coordination with the U.S. Treasury, internal management reporting, and the design and administration of the State’s Technical Assistance Program for Non-entitlement Units (NEUs) of Government.

### Timeline

3/3/2021 - 12/31/2026

## SLFRF Management

In government, as it is in business, innovation, quantification, and orchestration requires a system of people, processes, and technology that work together each day. The pandemic disrupted traditional work systems creating challenges. This section describes how SLFRF can be used to create opportunities for improved management: utilizing data analytics, learning agendas, performance evaluations, and partnerships.

On July 29, 2021, Governor Larry Hogan signed [Executive Order 01.01.2021.09](#) establishing the State Chief Data Officer. The order describes the position’s responsibilities, and important data governance, data quality, data sharing, and data management requirements that build on the successful data-driven strategies that the state implemented throughout the pandemic.

The order states that “data use and management must be prioritized, standardized, and coordinated between state units to maximize efficiency and cost effectiveness of service delivery.”

For SLFRF, the Department of Budget and Management (DBM) created the SLFRF Management System. Using Treasury-compliant metadata templates, DBM created the Maryland SLFRF Data Model. When SLFRF project teams report progress on obligations, expenditures, performance, and other compliance reporting requirements each month, the Maryland SLFRF Data Model standardizes the data and makes it available for ad-hoc and scheduled reporting, data mining, sharing, and in analytics and dashboards for management. Data governance is enforced through the Chief Data Officer’s framework. Data storage, analytics, and collaboration software are provided by the Department of Information Technology as a shared service to SLFRF project teams.

The Department of Budget and Management implemented a professional development curriculum based on the [U.S. Treasury’s SLFRF Compliance and Reporting Guidance](#). Live and on-demand training classes, a knowledge repository, and a collaboration space for SLFRF project teams help to ensure coordination for project and performance management.

## Statewide IT Accessibility Initiative / 508 Compliance

This document has been prepared in compliance with the Maryland [Statewide IT Accessibility Initiative](#). Digital and document accessibility guidelines from the Maryland Department of Disabilities utilize Federal 508 Compliance best practices.

## Acknowledgements

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## Appendix A - Annual Report Templates Used in the Data Collection Process

To compile this annual report, SLFRF project teams completed a template that asked the following questions. In some cases, for example, in water, sewer, and broadband infrastructure projects, additional information was requested including labor practices, per the [U.S. Treasury's SLFRF Compliance and Reporting Guidance](#).

### **Project Description**

Provide a description of the project. Describe how funds are being used to respond to negative economic impacts of the COVID-19 public health emergency, including to households and small businesses.

The U.S. Treasury encourages uses of funds that promote strong, equitable growth, including racial equity. Please describe how your project's planned or current use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at-scale and articulates the strategies to achieve those targets.

For example, assistance to households, small businesses, and nonprofits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, Veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.

### **Project Activities**

Provide an overview of the main activities of the project.

### **Equity Related Activities**

As appropriate, include efforts to date to promote equity. For example, are there particularly historically underserved, marginalized, or adversely affected groups that you intend to serve with project activities?

### **Community Engagement Related Activities**

Please describe how your project's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English speaking proficiency populations, and other traditionally underserved groups.

### **Timeline**

Provide the approximate timeline of the project and/or subprojects.

**Primary Delivery Mechanisms and Partners**

Describe the primary delivery mechanisms and partners.

**Equity Related Awareness, Access, and Distribution**

How equal and practical is the ability for residents or businesses to become aware of the services funded by the project?

Are there differences in levels of access to services across groups? Are there administrative requirements that result in disparities /ability to complete applications or meet eligibility criteria?

**Intended Outcomes**

Describe the outcomes the project intends to achieve.

**Equity Related Outcomes**

Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, or other equity dimensions where relevant for the policy objective? Describe any constraints or challenges that impacted project success in terms of increasing equity. This section must describe the geographic and demographic distribution of funding, including whether activities target traditionally marginalized communities.

**Project Website**

Provide a link to the website of the project if available.

**Use of Evidence**

Briefly describe the goals of the project, and whether SLFRF funds are being used for evidence-based interventions, the evidence-base for the interventions, and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence.

Identify the dollar amount of project spending allocated towards evidence-based interventions.

Recipients are encouraged to use relevant evidence clearinghouses, among other sources, to assess the level of evidence for their interventions and identify evidence-based models that could be applied in their project. Recipients are exempt from reporting evidence-based interventions in cases where a program evaluation is being conducted. If a recipient is conducting a program evaluation in lieu of reporting the amount of spending on evidence-based interventions, they must describe the evaluation design.

**Performance Report**

Report on key performance indicators (performance measures). Include both output and outcome measures.

If your project is completed or underway, then report each performance measure, its results, targets (if applicable), trend analysis (if applicable), and narrative providing context to help the reader interpret the results. If your project has not started yet, then simply list the performance measures you plan to use. Provide data disaggregated by race, ethnicity, gender, income, and other relevant factors, if possible.

## Appendix B - Defining Disadvantaged Geographies

Reference data is often used in data analytics to provide a basis for calculations and analysis. Reference data is also used to simply provide context. For example, many SLFRF projects have eligibility criteria expressed as a percentage of poverty level<sup>27</sup>:

2022 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
Persons in family/household	Poverty guideline
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For families/households with more than 8 persons, add \$4,720 for each additional person.	

The State of Maryland uses various formulas to calculate disadvantaged geographies, underserved populations, and overburdened areas. Depending on the use case, agencies may calculate these populations based on the laws, regulations, and policies most relevant to the government program it serves. The following are three examples:

- Using the Code of Maryland Regulations (COMAR) 10.62.01.01(B)(13) definition of Economically Disadvantaged Areas and U.S. Census Bureau demographic data to identify geographies. For example, the [Maryland Medical Cannabis Commission guidance](#) identifies 61 of Maryland’s 468 zip code tabulation areas (ZCTAs) as Economically Disadvantaged Areas using this approach.
- The Climate Solutions Now Act of 2022 defines underserved and overburdened populations. U.S. Census Bureau data and other data sources are then used to identify census tracts that meet the criteria as underserved and/or overburdened. Investments in broadband may be identified using the Climate Solutions Now Act of 2022 definitions.

<sup>27</sup> 2022 Poverty Guidelines; [U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation](#)

- The Department of Commerce and the Department of Housing and Community Development use multiple sources to define Disadvantaged Geographic Areas, including the U.S. Treasury’s Community Development Financial Institutions (CDFI) map, Qualified Census Tracts, HUB Zones, and Opportunity Zones. Investments in broadband may be identified this way too. Or using a combination of sources.

One of the challenges to using data analytics with all of the various definitions is to understand the context for when an agency applies the right definition to the right government program.

The Department of Budget and Management did not require agencies to use one standard definition for equity analysis across the entire portfolio of SLFRF projects. Instead, DBM provided the flexibility for agencies to use their best definition for each project.

This also created an opportunity to strengthen the cross-agency collaboration between analysts, grants managers, and program managers tasked with improving equity-related data analytics. DBM’s learning agenda includes lowering the data literacy barrier so that more state employees have the skills and easy-to-use tools to perform equity analysis.

The following are more details about the three examples:

### **Defining Economically Disadvantaged Areas Example #1**

The Code of Maryland Regulations (COMAR) 10.62.01.01(B)(13) defines Economically Disadvantaged Areas as having:

- A median income that is 80 percent or less of the average median household income in the state;
- An unemployment rate that is at least 150 percent of the unemployment rate in the state;
- A health uninsured rate that is at least 150 percent of the health uninsured rate in the state;
- A food stamp or Supplemental Nutrition Assistance Plan (SNAP) rate that is at least 150 percent of the food stamp or SNAP Rate in the state; and
- A poverty rate that is at least 150 percent of the poverty rate in the state.

The Maryland Medical Cannabis Commission (MMCC) evaluated each metric using the 2012-2016 5-year American Community Survey (ACS) to identify sixty-one (61) zip code tabulation areas (ZCTAs) that qualify as Economically Disadvantaged Areas in Maryland and published them in its [\*Guidance for Identifying Economically Disadvantaged Areas\*](#) on January 11, 2019.

## Defining Underserved and Overburdened Example #2

The [Maryland Climate Solutions Now Act of 2022](#) defined Underserved Community and Overburdened Community. The Maryland Department of the Environment created the [Environmental Justice Screening Tool](#) in June 2022 to align with recently enacted legislation.

The state's Justice40-related compliance is found within the legislation.

The Environmental Justice Screening Tool uses the 2016-2020 5-year American Community Survey (ACS) data. It is the latest ACS data published by the U.S. Census Bureau.

Climate Solutions Now Act definitions:

### *Underserved Community*

An underserved community means any census tract in which, according to the most recent U.S. Census Bureau Survey (currently the 2016-2020 5-year American Community Survey):

- At least 25% of the residents qualify as low income;
- At least 50% of residents identify as nonwhite; OR
- At least 15% of the residents have limited English proficiency

### *Overburdened*

Means any census tract for which three (3) or more of the following environmental health indicators are above the 75<sup>th</sup> percentile statewide:

Particulate matter (PM) 2.5, Ozone, National Air Toxics Assessment (NATA) Diesel PM, NATA Cancer Risk, NATA Respiratory Hazard Index, Traffic Proximity, Lead Paint Indicator, National Priorities List Superfund Site Proximity, Risk Management Plan Facility Proximity, Hazardous Waste Proximity, Wastewater Discharge Indicator, Proximity to a Concentrated Animal Feeding Operation (CAFO), Percent of the Population Lacking Broadband Coverage, Asthma Emergency Room Discharges, Myocardial Infarction Discharges, Low-Birth Weight Infants, Proximity to Emitting Power Plants, Proximity to a Toxic Research Inventory Facility, Proximity to a Brownfields Site, Proximity to Mining Operations, Proximity to a Hazardous Waste Landfill

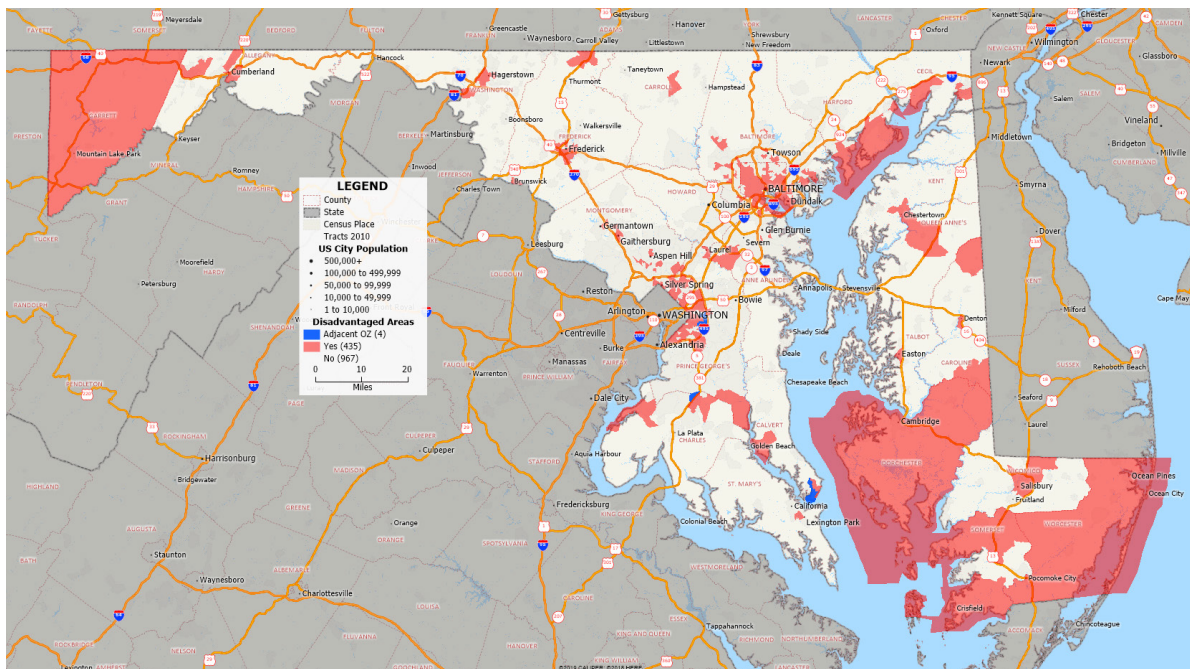


### Defining Disadvantaged Geographic Areas Example #3 - Includes multiple sources

For reducing negative economic impacts, the Maryland Department of Commerce uses data from official federal sources to establish an overall map of Disadvantaged Geographic Areas. The Department of Housing and Community Development also utilizes one or more of these sources, depending on the program. The Department of Commerce use them together to create a final map with:

- Low Income Housing Tax Credit (LIHTC) Qualified Census Tracts
- Community Development Financial Institutions (CDFI): Severely Distressed Areas
- Qualified Low Income Community Investment (QLICI): Severely Distressed Areas
- HUB Zones
- Qualified Opportunity Zones

#### *Final Map of Economically Disadvantaged Areas*



The final map shows all of Maryland’s census tracts (using the 2010 definition) that are disadvantaged. Out of 1,394 land census tracts (an additional 12 tracts represent water areas), 433 are marked as economically-disadvantaged by one or more Federal programs. An additional four are marked as “adjacent” opportunity zones, which means that they are not actually in distress but are adjacent to tracts that are. Commerce may choose to exclude adjacent opportunity zones as they themselves are not economically disadvantaged.

State of Maryland

The tract breakdown by jurisdiction is as follows:

Row Labels	Adjacent OZ	Disadvantaged	Not Disadvantaged	Total	Percent Disadvantaged
001 Allegany		9	14	23	39%
003 Anne Arundel		6	98	104	5%
005 Baltimore		44	170	214	20%
009 Calvert	1	2	15	18	16%
011 Caroline		3	6	9	33%
013 Carroll		1	37	38	2%
015 Cecil		3	16	19	15%
017 Charles	1	6	23	30	23%
019 Dorchester		9		9	100%
021 Frederick		12	49	61	19%
023 Garrett		7		7	100%
025 Harford		8	49	57	14%
027 Howard		1	54	55	2%
029 Kent		1	4	5	20%
031 Montgomery		34	181	215	16%
033 Prince George's	2	93	123	218	47%
035 Queen Anne's		1	10	11	9%
037 St. Mary's		1	16	17	6%
039 Somerset		6	1	7	86%
041 Talbot		2	8	10	20%
043 Washington		10	22	32	31%
045 Wicomico		10	9	19	53%
047 Worcester		16		16	100%
510 Baltimore City		148	52	200	74%
State Total	4	433	957	1394	31%

To test this map with real-world data, recipients of the COVID-19 Emergency Grant Program were mapped. Of the 14,286 recipients who were mailed a grant relief check prior to February 12, 2021 under this program, 25.4 percent were located within an economically disadvantaged geographic area according to these definitions. Of the total \$141 million that was disbursed prior to February 12, 25.4 percent was sent to companies located in economically disadvantaged geographic areas. However, as the table below shows, there was a great deal of variation between each county. All recipients in two counties (Dorchester and Garrett) were counted as being disadvantaged due to the classification of each county as a rural HUB Zone. Conversely, no grant recipients were counted as being economically disadvantaged in Howard County, as there are almost no economically disadvantaged areas located within its borders.

State of Maryland

County	Not Disadvantaged		Adjacent OZ		Disadvantaged		Percent Disadvantaged	
	Grants	Expenditure	Grants	Expenditure	Grants	Expenditure	Grants	Expenditure
Allegany	74	\$711,344			78	\$751,399	51.3%	51.4%
Anne Arundel	1,632	\$16,143,753			27	\$269,999	1.6%	1.6%
Baltimore	1,865	\$18,415,796			374	\$3,698,915	16.7%	16.7%
Calvert	160	\$1,574,414	8	\$80,000	4	\$40,000	7.0%	7.1%
Caroline	21	\$204,000			8	\$80,000	27.6%	28.2%
Carroll	417	\$4,105,153			35	\$349,599	7.7%	7.8%
Cecil	79	\$788,998			40	\$398,000	33.6%	33.5%
Charles	165	\$1,608,961	14	\$140,000	93	\$923,957	39.3%	39.8%
Dorchester					51	\$503,100	100.0%	100.0%
Frederick	518	\$5,093,733			232	\$2,291,827	30.9%	31.0%
Garrett					93	\$917,254	100.0%	100.0%
Harford	523	\$5,125,815			77	\$757,975	12.8%	12.9%
Howard	1,017	\$10,044,607					0.0%	0.0%
Kent	21	\$198,000			44	\$439,074	67.7%	68.9%
Montgomery	2,138	\$21,187,304			508	\$5,024,306	19.2%	19.2%
Prince George's	821	\$8,066,934	27	\$264,000	422	\$4,169,016	35.4%	35.5%
Queen Anne's	133	\$1,309,538			11	\$97,500	7.6%	6.9%
Saint Mary's	161	\$1,605,102			10	\$100,000	5.8%	5.9%
Somerset	2	\$20,000			24	\$240,000	92.3%	92.3%
Talbot	94	\$920,748			73	\$720,150	43.7%	43.9%
Washington	179	\$1,763,984			105	\$1,020,356	37.0%	36.6%
Wicomico	73	\$719,702			133	\$1,324,122	64.6%	64.8%
Worcester	1	\$10,000			281	\$2,784,775	99.6%	99.6%
Baltimore City	563	\$5,548,867			853	\$8,403,168	60.2%	60.2%
Z. Out-of-State	4	\$40,000					0.0%	0.0%
Statewide	10,661	\$105,206,763	49	\$484,000	3,576	\$35,304,497	25.4%	25.4%

The following Federally-designated or approved areas are used to determine geographic areas containing disadvantaged businesses.

**LIHTC Qualified Census Tracts**

Low Income Housing Tax Credit (LIHTC) Qualified Census Tracts, as defined under the section 42(d)(5)(C) of the Internal Revenue Code of 1986, include any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income less than 60 percent of the Area Median Gross Income (AMGI), or which has a poverty rate of at least 25 percent.

**CDFI Severely Distressed Areas**

The U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) was created for the purpose of promoting economic revitalization and community development through investment in and assistance to Community Development Financial Institutions (CDFIs). The CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994, as a bipartisan initiative. The CDFI Fund achieves its purpose by promoting access to capital and local economic growth in the following ways:

- through its Community Development Financial Institutions Program by directly investing in, supporting and training CDFIs that provide loans, investments, financial services and technical assistance to underserved populations and communities;
- through its New Markets Tax Credit Program by providing an allocation of tax credits to Community Development Entities which enable them to attract investment from the private-sector and reinvest these amounts in low-income communities;
- through its Bank Enterprise Award Program by providing an incentive to banks to invest in their communities and in other CDFIs;
- through its Native Initiatives, by taking action to provide financial assistance, technical assistance, and training to Native CDFIs and other Native entities proposing to become or create Native CDFIs;
- through its CDFI Bond Guarantee Program by issuing bonds to support CDFIs that make investments for eligible community or economic development purposes; and
- through its Capital Magnet Fund, which offers competitively awarded grants to finance affordable housing solutions for low-income people and low-income communities nationwide.

Severely Distressed Areas are (1) characterized by at least one of items 1-5 on the list below for each QLICI, or (2) characterized by at least two of items 6-16 on the list below for each QLICI:<sup>28</sup>

1. Census tracts with poverty rates greater than 30 percent
2. Census tracts that (a) if located within a non-Metropolitan Area, have a median family income that does not exceed 60 percent of statewide median family income; or (b) if located within a Metropolitan Area, have a median family income that does not exceed 60 percent of the greater of statewide median family income or the Metropolitan Area median family income
3. Census tracts with unemployment rates at least 1.5 times the national average (8.3% for 2011-2015 ACS Survey, 7.9% for 2006-2010 ACS Survey).
4. Census tracts that are located in counties not contained within a Metropolitan Statistical Area (MSA) (i.e. non-metropolitan counties), as defined pursuant to 44 U.S.C. 3504(e) and 31 U.S.C. 104(d) and Executive order 10253 (3 C.F.R. Part 1949-1953 Comp., p.758), as amended, with respect to the 2010 Census and as made available by the CDFI Fund;
5. As permitted by IRS and related CDFI Fund guidance materials, projects serving Targeted Populations to the extent that: (a) such projects are 60% owned by low-income persons (LIPs); or (b) at least 60% of the projects' employees are LIPs; or (c) at least 60% of the projects' gross income is derived from sales, rentals, services, or other transactions to customers who are LIP;
6. Census tracts with one of the following: (a) poverty rates greater than 25%; or (b) if located within a non-Metropolitan Area, median family income that does not exceed 70% of statewide median family income, or, if located within a Metropolitan Area, median

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<sup>28</sup> <https://www.cohnreznick.com/nmtc-map/qualification-criteria>

family income that does not exceed 70% of the greater of the statewide median family income or the Metropolitan Area median family income; or (c) unemployment rates at least 1.25 times the national average

7. U.S. Small Business Administration (SBA) designated HUB Zones, to the extent that the QLICIs will support businesses that obtain HUB Zone certification from the SBA
8. Brownfield sites as defined under 42 U.S.C. 9601(39)
9. Areas encompassed by a HOPE VI redevelopment plan
10. Federally designated as Indian Reservations, Off-Reservation Trust Lands or Alaskan Native Village Statistical Areas, or Hawaiian Home Lands
11. Areas designated as distressed by the Appalachian Regional Commission or Delta Regional Authority
12. Colonias areas as designated by the U.S. Department of Housing and Urban Development
13. Federally designated medically underserved areas, to the extent that QLICI activities will support health related services
14. Federally designated Promise Zones, Impacted Coal Counties, base realignment and closure areas, state enterprise zone programs, or other similar state/local programs targeted towards particularly economically distressed communities
15. Counties for which the Federal Emergency Management Agency (FEMA) has (a) issued a “major disaster declaration” and (b) made a determination that such County is eligible for both “individual and public assistance;” provided that the initial project investment was made within 36 months of the disaster declaration
16. A Census tract identified as a Food Desert, which must either: 1) be a census tract determined to be a Food Desert by the U.S. Department of Agriculture (USDA), as identified in USDA’s Food Desert Locator Tool; or 2) a census tract that qualifies as a Low-Income Community and has been identified as having low access to a supermarket or grocery store through a methodology that has been adopted for use by another governmental agency, to the extent QLICI activities will increase access to healthy food.

### **HUBZones**

The Historically Underutilized Business Zones (HUBZone) program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. These preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in a HUBZone. The company must also maintain a "principal office" in one of these specially designated areas. The HUBZone program fuels small business growth in historically underutilized business zones with a goal of awarding at least three percent of federal contract dollars to HUBZone-certified companies each year. A HUBZone may be one of the following:

- A qualified Census Tract (QCT)
- A qualified Non Metropolitan County (QNMC)
- A qualified Indian Reservation (QIR)
- A Qualified Base Closure Area (QBA)
- A Redesignated Area
- Qualified Disaster Area

The SBA uses information obtained from the Department of Housing and Urban Development (HUD), the Bureau of the Census, the Bureau of Labor Statistics (BLS), the Department of Interior, Bureau of Indian Affairs and the Department of Defense. The HUBZone areas are designated by statute and draw upon determinations and information obtained by other agencies. The SBA does not have discretion when it comes to designating HUBZones.

### **Qualified Opportunity Zones**

A Qualified Opportunity Zone (QOZ) is an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as QOZs if they have been nominated for that designation by a state, the District of Columbia, or a U.S. territory and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service (IRS).

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# THE CUSTOMER SERVICE PROMISE

The State of Maryland pledges to provide constituents, businesses, customers, and stakeholders with services in the following manner:

- **Friendly and Courteous:** We will be helpful and supportive and have a positive attitude and passion for what we do.
- **Timely and Responsive:** We will be proactive, take initiative, and anticipate your needs.
- **Accurate and Consistent:** We will always aim for 100% accuracy, and be consistent in how we interpret and implement state policies and procedures.
- **Accessible and Convenient:** We will continue to simplify and improve access to information and resources.
- **Truthful and Transparent:** We will advance a culture of honesty, clarity and trust.



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