



# Maryland

American Rescue Plan Act  
State and Local Fiscal Recovery Funds

## **Recovery Plan Performance Report - Annual Report #1**

For the Reporting Period of June 16, 2021 through July 31, 2021

Submitted by the Maryland Department of Budget and Management

**August 31, 2021**

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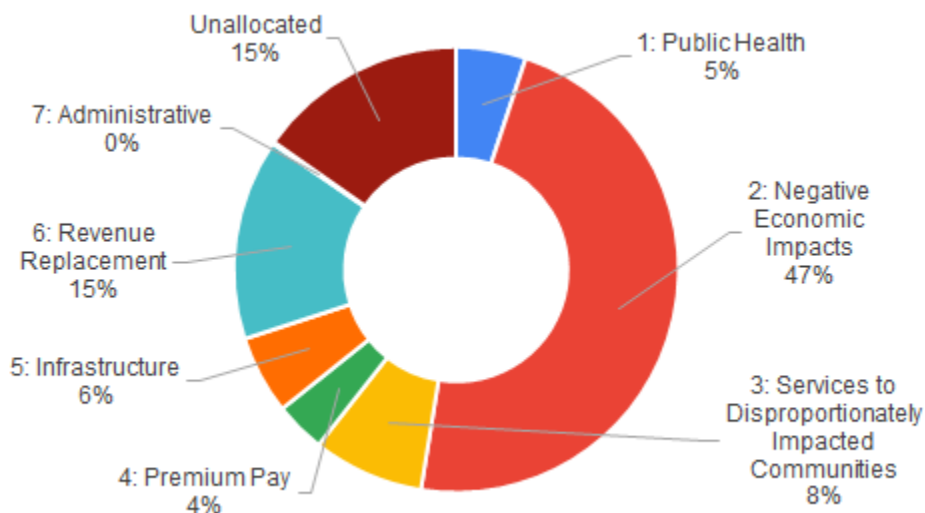
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## I. Executive Summary

### Supporting Pandemic Response and Jump-Starting Economic Recovery

The State of Maryland has worked to quickly allocate American Rescue Plan Act (ARPA) funding, through a bi-partisan agreement between the Governor and General Assembly, to provide immediate support for pandemic response efforts, as well as to jump-start economic recovery through support to struggling individuals and affected businesses and industries. This initial Recovery Plan Performance Report details actual expenditures from March 3, 2021 through July 31, 2021 as well as planned allocations for State fiscal year 2022 and beyond. The report will highlight the speed of Maryland's program implementation, as well as plans for future data collection and program monitoring efforts to ensure the efficient and equitable use of funding. **Exhibit 1** below summarizes Maryland's planned use of ARPA funds by spending category as of July 31, 2021:

**Exhibit 1 - State of Maryland Allocation of ARPA Funding by Expenditure Category**



### Maryland's Funding Allocation Process

Prior to the enactment of the American Rescue Plan Act (ARPA), the RELIEF Act of 2021 was enacted by the Maryland General Assembly as an emergency bill and signed into law by Governor Hogan on February 15, 2021. RELIEF Act expenditures were executed throughout the remainder of the fiscal year from March to June 2021. This legislation provided direct stimulus payments to qualifying Marylanders, repealed State and local taxes on unemployment benefits, and established grants and loans to qualifying small businesses. The legislation included bi-weekly reporting requirements for the funded programs, known as "Recovery Now" programs. Those reports can be found on the [Department of Budget and Management website](#), and will at times be referenced as links throughout this document.

When ARPA became law on March 11, 2021, the State of Maryland was in the middle of its legislative session, 32 days from adjourning until January 2022. Governor Hogan and the General Assembly wanted to ensure that a bipartisan spending plan for the federal fund award was reached, and moved quickly to reach an agreement on how to spend the estimated \$3.9 billion award. Supplemental Budget #5 was introduced by Governor Hogan on March 31, 2021 and reflected appropriations for many of the agreed-upon items. Many of the programs introduced in the RELIEF Act of 2021 that had not yet been implemented were included in the ARPA spending plan.

At the time Supplemental Budget #5 was introduced, there were questions as to whether certain items would be considered eligible spending under ARPA. However, the Governor and the General Assembly were confident that the

spending plan would support urgent COVID-19 response efforts to continue to decrease the spread of the virus; support immediate economic stabilization for households and businesses; address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations; and replace lost public sector revenue to strengthen support for vital public services and to help retain jobs. After the U.S. Department of the Treasury (Treasury) released the Interim Final Rule on May 17, 2021, a “Frequently Asked Questions” document updated through June 23, 2021, and the compliance and reporting requirements guidance on June 17, 2021, the State of Maryland underwent a process to evaluate whether the spending plan adopted in March 2021 was compliant with final ARPA guidance.

The final spending plan in this Recovery Plan Performance Report reflects a final allocation of \$3.7 billion confirmed by Treasury, and excludes any items in the original agreement that are not eligible for ARPA funding based on Treasury guidance. Approximately \$0.6 billion, or 15%, of the award is unallocated at the time of this report.

## Key Outcome Goals

The State of Maryland has a long history of strategic planning and performance reporting through its Managing for Results (MFR) program. Since 1999, Maryland has used Managing for Results (MFR) as a strategic planning, performance measurement, and budgeting process that emphasizes use of resources to achieve measurable results, accountability, efficiency, and continuous improvement in State government programs. Annually, in concert with the Governor’s budget submission, the Department of Budget and Management (DBM) publishes [MFR strategic plans](#) outlining each agency’s mission, vision, goals, objectives and performance metrics. DBM also publishes an annual [MFR performance report](#) that provides an analysis and deeper insight into 74 outcome metrics that indicate the State’s performance in the Hogan Administration priority areas of Economic Development and Jobs, Reduced Taxes and Fees, Fiscal Responsibility, Government Reform, and Improved Quality of Life. As with any infusion of resources into existing or new State government programs, the Department of Budget and Management will encourage State agencies to determine which output, outcome, efficiency and quality metrics can be measured to understand program successes, and leverage historical data to analyze program impact.

A full breakdown of proposed outcome metrics under consideration for ARPA reporting is included in Section VI of this report. During the beginning phases of program implementation over the next reporting period, the Department of Budget and Management will work with program managers to identify specific, measurable, attainable, results-oriented and time bound objectives for applicable programs such as health improvement and broadband expansion. Programs that provided one-time financial aid to address pandemic revenue shortfalls (such as business and health care provider relief grants) will not have as extensive goals and objectives, as those programs aimed to keep operations afloat and assume that without relief, operations may have shut down permanently.

While more specific objectives are under development, broad goals of Maryland’s ARPA spending program include:

- Improvement in health outcomes by addressing inequities 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
  - Increased percent 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 (both subsidized and unsubsidized)
  - Percent of related children and youth under age 18 whose families have incomes below the poverty level
  - Decrease in Maryland prevalence of household level very low food security (3-year average)
  - Reduction in statewide utility arrearages balances

- Enhanced educational outcomes through school infrastructure improvement, broadband access expansion and programs to address pandemic learning loss
  - Increase in four-year high school graduation rate (cohort rate)
  - Increase in the number of households projected to have increased 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
  - Decrease in ratio between Maryland's unemployment rate and the U.S. rate
  - Increase in Maryland's growth in total real gross domestic product
  - Increase in total State sales tax revenue attributable to tourism

## Challenges and Opportunities Identified

A portion of ARPA funding allocated to the State of Maryland is being distributed to lower levels of government for strategic, efficient and equitable distribution. Because the State of Maryland is not directly delivering the services or implementing the programs, it is more difficult to collect uniform performance data from each grant recipient or service provider. This is especially true because of the speed at which Maryland allocated and distributed funding. The spending plan was adopted prior to the release of Performance Report guidance from the U.S. Treasury. As a result, specific performance metrics were not included in initial program design, nor the Memorandum of Understanding (MOU) language drafted for funding agreements between the State and local governments when funds were distributed in April through June 2021. This challenge in the short-term can be mitigated over the next award period, as State agencies managing these agreements can request that grantees report more performance data beyond input and output metrics.

ARPA funding has provided an opportunity for the State to greatly expand upon existing efforts to ensure widespread and reliable internet access. In June 2017, Governor Larry Hogan established the Office of Rural Broadband (ORB) via executive order. ORB supported Maryland's long-term vision to provide affordable, high-speed internet access to every Maryland home by identifying and coordinating the delivery of resources to local jurisdictions. During the 2021 legislative session, Maryland's General Assembly passed and the Governor signed into law the Digital Connectivity Act of 2021, establishing the Office of Statewide Broadband (OSB) as the successor to ORB<sup>1</sup>. The formulation of OSB, as well as the ARPA investments outlined in this report, were predicated on the notion that broadband inequities exist beyond the rural-urban divide. The COVID-19 pandemic has demonstrated that digital disconnectedness amounts to social exclusion<sup>2</sup>. By using ARPA funds to not only expand network access, but also to increase consumer adoption, the State aims to close the racial and socioeconomic digital divides across Maryland.

Another key opportunity highlighted by the availability of ARPA funding was to address the State's depleted Unemployment Insurance Trust Fund (UITF). Replenishing the UITF balance is important to ensure the State's resiliency in face of another emergency, whether it be another phase of this pandemic or another unforeseen catastrophe. The UITF is a critical resource for employees in future uncertain economic times, especially for workers in industries more vulnerable to disruption. ARPA support of the UITF also alleviates future tax burden for Maryland's recovering businesses by stabilizing unemployment insurance tax rates for calendar years 2022 and 2023. Lowering the tax in the short term, then stabilizing the rate for two years, will allow companies to continue growing with the recovery's economic expansion.

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<sup>1</sup> <http://mgaleg.maryland.gov/mgaweb/Legislation/Details/SB0066?ys=2021RS>

<sup>2</sup> [https://abell.org/sites/default/files/files/2020\\_Abell\\_digital%20inclusion\\_full%20report\\_FINAL-web.pdf](https://abell.org/sites/default/files/files/2020_Abell_digital%20inclusion_full%20report_FINAL-web.pdf)

## II. Overview of Uses of Funds

The COVID-19 pandemic has had diverse and far-reaching negative impacts on the health, safety and livelihoods of Marylanders, and the strength of the State’s economy. Maryland’s planned use for ARPA funding reflects the need for recovery support across all of the eligible funding categories, as summarized in **Exhibit 2** below. Section V of this report includes a full description of each of the programs named below, including implementation strategies and how the funds will support Maryland’s recovery. Note that this overview may change and expand in future reporting periods as the total ARPA fund balance for the State of Maryland has not been allocated by July 31, 2021.

**Exhibit 2 - Programs Supported with ARPA Funds by Expenditure Category (EC)**

EC	Program Name	Description
1: Public Health	1A: Provider Assistance	Financial assistance to health providers including substance use treatment providers, developmental disabilities providers, a variety of mental health crisis service providers, nursing homes, local health departments, and behavioral health services.
	1B: Enhancing Public Health	Establish “Health Equity Resources Communities” to reduce health disparities, improve health outcomes, improve access to primary care, promote primary and secondary prevention services, and reduce health care costs and hospital admissions and readmissions. Also provide financial assistance for local health departments’ self-supported fee-for-service clinics.
	1C: Healthy Schools	Upgrades for public school buildings to improve conditions related to air conditioning, heating, indoor air quality, mold remediation, temperature regulation, plumbing (including the presence of lead in drinking water outlets), roofs and windows.
2: Negative Economic Impacts	2A: Business Assistance for Hospitality and Entertainment	Grants for hotels, motels, bed and breakfast establishments, restaurants, and live entertainment venues.
	2B: Business Assistance for Agriculture	Financial assistance for agricultural and rural businesses to provide relief and support shellfish aquaculture lease holders, urban farmers, cold storage purchase and installation, livestock processing, wood products and forest industry incentives, technology transfer between research institutions and rural businesses, and matching funds for food benefits used at farmers markets.
	2C: Small Business Assistance	Grants to support small businesses with online sales framework, tourism marketing for small businesses, and offering employees telework opportunities. Grants also support the State’s Main Street Program to preserve main street economies, and the State’s Small, Minority and Women-Owned Business Account.
	2D: Business Assistance - Other	Financial relief for local commuter bus operators, grants to support private sector teleworking expenses, and sales and use tax relief for struggling businesses.
	2E: Community and Public Benefits	Expanded Temporary Cash Assistance (TCA) and Temporary Disability Assistance Program (TDAP) benefits of \$100 per month, support for pandemic-related TCA expenses, assistance grants for nonprofits, and support for home detention programs to promote early release from correctional facilities.
	2F: Housing Relief	Emergency housing grants and support for legal services for individuals facing eviction.
	2G: Utility Relief	Utility arrearage relief, support for a limited-income mechanism for utility rates, and expansion of the electric universal service program.
	2H: Non-Profit Assistance	Grants for arts organizations, food banks, and volunteer fire departments and rescue squads.
	2I: Job Training	Support for employment training and apprenticeships through local workforce development boards and community colleges.

EC	Program Name	Description
2: Negative Economic Impacts	2J: Broadband Services	Expansion of broadband access for disconnected communities, including support for device and service fee subsidies, digital navigator support personnel, a digital inclusion fund, gap networks, and tech extensions.
	2K: Unemployment Insurance (UI) Payments to Individuals	Meet obligations of the State for UI claim payments.
	2L: UI Payments to Trust Fund	Ensure that the State's UI Trust Fund has a sufficient fund balance to meet the needs of future unemployed Marylanders, and alleviate tax burden for Maryland's recovering businesses. Lowering and then stabilizing unemployment insurance tax rates for two years will allow companies to continue growing with the recovery's economic expansion.
3: Services to Disproportionately Impacted Communities	3A: Learning Loss for K-12 Students	Grants for school districts to provide tutoring and supplemental instruction for public school students in grades 4 through 12 to address pandemic learning loss.
	3B: Learning Loss for Juvenile Services Students	Enhance technology and library facilities for use of students in the Juvenile Services system.
4: Premium Pay	4A: State Employee Premium Pay	Provide COVID-19 Response and Quarantine Pay to certain groups of State employees performing essential services during the public health emergency.
5: Water, Sewer and Broadband Infrastructure	5A: Broadband Infrastructure	Support for municipal broadband, network infrastructure, and other broadband expansion efforts to reach disconnected Marylanders.
6: Revenue Replacement	6A: Revenue Relief - Government Operations	Revenue relief funds for State employee teleworking expenses and to support the Housing Counseling Fund. Other expenditures in this category may occur in the future.
	6B: Revenue Relief - Transportation	Revenue relief funds to support agency operations, which will allow state funds to support transportation infrastructure projects.
7: Transfer to Other Units of Government	7A: Disparity Grants	Provide aid to low-wealth jurisdictions for county government purposes to address the difference in the abilities of counties to raise revenues from the local income tax.

### III. Promoting Equitable Outcomes

#### Promoting Equity Through Allocation of Funds

When negotiating the allocation of ARPA funds, Governor Hogan and the Maryland General Assembly focused on how Recovery Funds would not only respond directly to the pandemic, but also to address the existing inequities that were highlighted by the pandemic. For example, funds were allocated not only to temporary cash assistance and to existing public health services that have had a greater demand since the pandemic - such as behavioral health services - but also to new initiatives such as establishing “Health Equity Resources Communities” to specifically target individuals and communities who historically have not had equitable access to quality health care services.

With the goal of helping disadvantaged Marylanders gain more equitable footing, the following programs in Expenditure Categories 2 and 3 (EC 2 and EC 3) are supported with ARPA:

- Household assistance through additional Temporary Cash Assistance (TCA) and Temporary Disability Assistance Program (TDAP) benefits through December 2021 (EC 2)
- Flexible eligibility requirements for disability assistance through June 2021 (EC 2)
- 30-day emergency housing grants to shelter vulnerable populations (EC 2)
- Utility arrearage relief to reduce and eradicate utility debt (EC 2)
- Food bank grants to support Marylanders impacted by food insecurity (EC 2)
- Job training and apprenticeship programs to expand opportunities for Maryland jobseekers and support workforce needs of local businesses (EC 2)
- Local commuter bus assistance grants to ensure access to public transit (EC 2)
- Unemployment insurance claim payments to bridge the gap to reemployment (EC 2)
- Broadband access expansion and subsidies for disconnected communities (EC 2)
- Community College scholarships to provide access to retraining and skill development (EC 2)
- K-12 and juvenile services tutoring programs to address pandemic learning loss (EC 3)

#### Promoting Equity Through Distribution of Funds

The State of Maryland is working with a broad coalition of stakeholders to distribute ARPA funding equitably, and to reach disadvantaged and adversely affected individuals and organizations. This coalition includes county and municipal governments - including local health boards, school districts and economic development entities - non-profit organizations, State government agencies, and community colleges.

Additionally, the RELIEF Act of 2021 - which outlined the use of a portion of Maryland’s ARPA allocation - was crafted based upon feedback from constituents. Other portions of State and Local Fiscal Recovery Funds (SLFRF) spending that are supporting implementation of legislation passed by the General Assembly, such as the Maryland Health Equity Resources Act, also were based on constituent feedback.

When deciding which entity to partner with to implement ARPA programming, the State of Maryland focused on:

- **Expertise:** Who has a proven track record of success, and/or experience with the targeted beneficiaries of the program?
- **Access:** Who will be best equipped to either reach beneficiaries directly, or has the necessary network to reach those individuals, communities and businesses in need of relief?
- **Speed:** Who can distribute funding most quickly and effectively?

Throughout Section V, specific program summaries will outline criteria used to ensure equitable distribution of funds.

Criteria used in specific programs include:

- Distributions to jurisdictions based on proportion of the State’s population
- Requirements to report aid distributed by zip code and/or census tract
- Financial assistance for individuals who have qualified for other assistance programs based on income
- Programs designed solely for historically disadvantaged populations



- Carve-outs of program funds to specifically target Baltimore City Public Schools to address economic and racial inequities of State-wide school facilities
- Prioritization of financial assistance to businesses and individuals who had not received prior aid from a State or Federal program, to ensure that those who did not have access or technical assistance to apply for prior aid would be helped with ARPA funding
- Business grant programs with a requirement that at least 15% of the amount distributed would be to disadvantaged businesses

#### IV. Table of Expenses by Category

The information listed in the column “Cumulative expenditures to date (\$)” shows allocated spending through June 30, 2021, the end of state fiscal year 2021. Actual expenditures will be reported in the Project and Expenditure Report due October 31, 2021.

##### Exhibit 3 - Expenses by Expenditure Category (EC)

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
<b>1</b>	<b>Expenditure Category: Public Health</b>	<b>52,546,814</b>	<b>52,546,814</b>
1.1	COVID-19 Vaccination		
1.2	COVID-19 Testing		
1.3	COVID-19 Contact Tracing		
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)		
1.5	Personal Protective Equipment		
1.6	Medical Expenses (including Alternative Care Facilities)		
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency		
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)		
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19		
1.1	Mental Health Services	15,000,000	15,000,000
1.11	Substance Use Services		
1.12	Other Public Health Services	37,546,814	37,546,814
<b>2</b>	<b>Expenditure Category: Negative Economic Impacts</b>	<b>386,000,000</b>	<b>386,000,000</b>
2.1	Household Assistance: Food Programs		
2.2	Household Assistance: Rent, Mortgage, and Utility Aid	108,000,000	108,000,000
2.3	Household Assistance: Cash Transfers	72,000,000	72,000,000
2.4	Household Assistance: Internet Access Programs	30,000,000	30,000,000
2.5	Household Assistance: Eviction Prevention		
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers	40,000,000	40,000,000
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)	17,000,000	17,000,000
2.8	Contributions to UI Trust Funds		
2.9	Small Business Economic Assistance (General)	13,500,000	13,500,000
2.10	Aid to nonprofit organizations	30,000,000	30,000,000
2.11	Aid to Tourism, Travel, or Hospitality	50,000,000	50,000,000

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2.12	Aid to Other Impacted Industries	3,500,000	3,500,000
2.13	Other Economic Support	22,000,000	22,000,000
2.14	Rehiring Public Sector Staff		
<b>3</b>	<b>Expenditure Category: Services to Disproportionately Impacted Communities</b>	<b>46,000,000</b>	<b>46,000,000</b>
3.1	Education Assistance: Early Learning		
3.2	Education Assistance: Aid to High-Poverty Districts		
3.3	Education Assistance: Academic Services	1,000,000	1,000,000
3.4	Education Assistance: Social, Emotional, and Mental Health Services		
3.5	Education Assistance: Other	45,000,000	45,000,000
3.6	Healthy Childhood Environments: Child Care		
3.7	Healthy Childhood Environments: Home Visiting		
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System		
3.9.	Healthy Childhood Environments: Other		
3.1	Housing Support: Affordable Housing		
3.11	Housing Support: Services for Unhoused persons		
3.12	Housing Support: Other Housing Assistance		
3.13	Social Determinants of Health: Other		
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators		
3.15	Social Determinants of Health: Lead Remediation		
3.16	Social Determinants of Health: Community Violence Interventions		
<b>4</b>	<b>Expenditure Category: Premium Pay</b>	<b>97,897,050</b>	<b>97,897,050</b>
4.1	Public Sector Employees	97,897,050	97,897,050
4.2	Private Sector: Grants to other employers		
<b>5</b>	<b>Expenditure Category: Infrastructure</b>	<b>2,000,00</b>	<b>2,000,00</b>
5.1	Clean Water: Centralized wastewater treatment		
5.2	Clean Water: Centralized wastewater collection and conveyance		
5.3	Clean Water: Decentralized wastewater		
5.4	Clean Water: Combined sewer overflows		
5.5	Clean Water: Other sewer infrastructure		
5.6	Clean Water: Stormwater		
5.7	Clean Water: Energy conservation		
5.8	Clean Water: Water conservation		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
5.9	Clean Water: Nonpoint source		
5.1	Drinking water: Treatment		
5.11	Drinking water: Transmission & distribution		
5.12	Drinking water: Transmission & distribution: lead remediation		
5.13	Drinking water: Source		
5.14	Drinking water: Storage		
5.15	Drinking water: Other water infrastructure		
5.16	Broadband: "Last Mile" projects	2,000,000	2,000,000
5.17	Broadband: Other projects		
<b>6</b>	<b>Expenditure Category: Revenue Replacement</b>	<b>21,100,000</b>	<b>21,100,000</b>
6.1	Provision of Government Services	21,100,000	21,100,000
<b>7</b>	<b>Administrative and Other</b>	<b>5,000,000</b>	<b>5,000,000</b>
7.1	Administrative Expenses		
7.2	Evaluation and data analysis		
7.3	Transfers to Other Units of Government	\$5,000,000	\$5,000,000
7.4	Transfers to Nonentitlement Units (States and Territories only)		
<b>TOTAL</b>		<b>610,543,864</b>	<b>610,543,864</b>

## V. Project Inventories

### 1A - Provider Assistance

1A - EC 1.12 **Public Health Provider Assistance**  
\$86,000,000

Website: N/A

Summary: Provide financial assistance for statewide public health providers to address revenue shortfalls due to COVID as well as to address increased demand for services, including:

• Medicaid nursing home reimbursement rate increase	\$26,000,000
• Local Health Department operating grants	\$22,058,389
• Mental health crisis service providers	\$15,000,000
• Support for increased demand for behavioral health services	\$12,841,611
• Substance use treatment providers	\$5,000,000
• Developmental disabilities providers	\$5,000,000
• Overtime for the Office of the Chief Medical Examiner	\$100,000

#### Timeline:

##### Fiscal Year 2021:

- Seven applications from substance use treatment providers were received in March 2021; allocations were proposed and award letters were sent in April and May 2021. All awards were fully processed as of May 28, 2021.
- 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. Supplemental awards were also made to 160 grantees to meet the \$5 million total budget for the program.
- Overtime expenses for the Office of the Chief Medical Examiner were supported from March 3, 2021 through June 30, 2021.

##### Fiscal Year 2022:

- A temporary 2% increase in Medicaid nursing home reimbursement rates will be in effect for July 1, 2021 through June 30, 2022.
- Funds for local health department operating grants have been awarded for July 1, 2021 through June 30, 2022 to all 24 local health departments.
- Support for increased demand for behavioral health services is planned for July 1, 2021 through June 30, 2022.

##### Fiscal Year 2021 through 2022:

- 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 (some requests were ineligible for the program). To spend the remaining balance, a second round of applications for crisis providers has been distributed; applications were due June 24, 2021, and the review committee is engaging applicants with follow-up questions. A third round of applications is being considered.

#### Full Project Description:

##### *Overview*

Marylanders access health care services through a wide variety of service providers, some of which have better resources than others. During the pandemic, it became clear that providers serving the State's most vulnerable populations were at the highest risk of needing to reduce available services, increase costs passed on to patients, and/or shut down

operations entirely. A bipartisan agreement between the Governor and the legislature determined which providers would receive ARPA funding, either to address immediate needs in FY 2021 or to address projected needs in FY 2022.

For specific vulnerable populations, the State's planned allocation for Public Health Provider Assistance will:

- Support a temporary two percent increase in Medicaid nursing home reimbursement rates.
- Ensure all current mobile crisis, stand-alone walk-in crisis, and other mental health crisis services providers can continue essential services.
- Provide relief for court-ordered substance use residential treatment providers in financial jeopardy to ensure continuation of services.
- Assist developmental disabilities providers with costs incurred from pandemic related reopening, transformation, and revenue loss.

For broader, system-wide public health expenses, the allocation will:

- Provide operating grants for Local Health Departments that can be utilized for ten core services areas as outlined in Maryland Code: infectious disease control services; environmental health services; family planning services; maternal and child health services; wellness promotion services; adult health and geriatric services; data management and exchange services regarding communicable diseases and other health matters, as allowed under federal and State law; providing protective equipment for nurses, physician assistants, physicians, and other health care personnel in contact with patients; providing equipment, medication, and other materials determined to be appropriate to prepare for potential communicable disease emergencies, or other public health emergencies; and administration and communication services associated with the above.
- Support the increased demand for behavioral health services due to the pandemic, both through an accelerated cost of living provider rate increase in FY 2021 to cover additional supplies, personnel costs, and revenue shortfalls from March 2021 through June 2021; and through additional funds available in FY 2022 for projected increased expenses.

A final pandemic related public health expense included in this project is overtime expenditures for the Office of the Chief Medical Examiner. The Office of the Chief Medical Examiner (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 in FY 2021, 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. Certain position classifications are eligible for compensatory time for time worked beyond normal working hours, while other classifications are eligible for cash overtime. The number of eligible OCME employees who are entitled to receive cash for overtime worked has increased to meet this additional demand.

#### *Primary Delivery Mechanisms and Partners*

Specific divisions within the Maryland Department of Health (Medical Care Programs, Developmental Disabilities Administration, Behavioral Health Administration, etc.) work directly with each category of health providers in the community and have utilized their existing partnerships with these providers to implement the project and distribute funds as quickly as possible.

Grant funds are awarded to Maryland's 24 local health departments through the standard Unified Funding Document (UFD) at the beginning of the fiscal year.

#### *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 emergency and non-emergency medical services, for both COVID and non-COVID medical needs.

- Health providers maintain their ability to serve the public throughout the pandemic, with no net loss in health provider services due to pandemic revenue loss or cost increases. .
- Statewide public health will stabilize during pandemic recovery.
- Evaluate and continuously improve processes, programs and interventions within the ten public health service areas.

### *Use of Evidence*

Where appropriate, grants to providers were awarded based on demonstrated financial hardship (i.e. operating revenue data).

### *Community Engagement*

Local health departments were prioritized for financial assistance as they work in local communities and have relationships in their communities to best help Maryland's most needy and vulnerable communities. In addition, the State of Maryland has de-institutionalized how health services are provided, with a greater focus on treatment in a community setting. As a result, health providers inherently have to engage and work in the community.

### *Performance Metrics and Financial Reporting*

Local health departments are required to provide the following performance data in an annual report:

- Aggregate number of full-time equivalent positions (FTE) paid for by program area
- Aggregate number of persons served by funded activity/program area
- Aggregate number of services provided with funding from the program area
- Aggregate number of people served by age by activities funded by program area
- Number of patient visits by program area

The Office of the Chief Medical Examiner will report:

- Staffing of the Investigations unit
- Increased number of investigations
- Increased number of autopsies performed
- Increased histology workload for histology and neuropathology slide preparation

The Maryland Department of Health's Office of Finance, Medical Care Programs will report expenditures using existing reporting mechanisms. Some providers participate in the State's pay for performance program, and receive a composite score based on specific quality measures: (1) Staffing Levels, (2) Staffing Stability, (3) Staff Immunization, (4) Family Satisfaction, and (5) Minimum Data Set Clinical Quality Indicators. Not all providers are eligible to participate in P4P; as such, only certain providers report this data.

All other:

- Medicaid enrollees provided care in nursing homes
- Number of providers, by category, provided financial aid, with names and locations
- [Mental Health Crisis Service Providers - Requested and Awarded Amounts](#)
- [Awards to Court-Ordered Substance Use Residential Treatment Providers](#)
- [Developmental Disabilities Provider Grants Distributed](#)

## 1B - Enhancing Public Health

1B - EC 1.12 **Establish Health Equity Resources Communities and Support Self-Supported Fee-for-Service Clinics**  
\$22,988,425

[Website:](#) Health Equity Resources Communities

Summary: Provide fiscal relief for Local Health Departments' self-supported fee-for-service clinics (\$9 million), and provide grants to newly established Health Equity Resources Communities (HERC) through the Pathways to Health Equity program (\$14 million). The program aims to reduce health disparities, improve health outcomes, improve access to primary care, promote primary and secondary prevention services, and reduce health care costs and hospital admissions and readmissions.

Timeline: Fiscal relief for self-supported fee-for-service clinics was provided in FY 2021 from March 8, 2021 through June 30, 2021.

The Governor's Office, the Senate President, and the Speaker of the House made appointments to the HERC Advisory Committee on July 12, 2021 and the Maryland Community Health Resources Commission (MCHRC) scheduled a first meeting of the HERC Advisory Committee for August 11, 2021. At the meeting on August 11, three advisory subcommittees have been appointed and the substantive work to prepare and release the Pathways request for proposals (RFP) will occur in these subcommittees through the beginning of September. After the work of the subcommittees is completed, the MCHRC Commissioners will meet in early October and vote to release the Pathways RFP. After the RFP is released, the MCHRC will host a series of regional forums across the state to inform the public about the grant opportunity. Proposals will be due in early December and grant award decisions are expected in January or February 2022.

### Full Project Description:

#### *Overview*

The Maryland General Assembly approved the Maryland Health Equity Resources Act during the 2021 legislative session. The bill outlines the designation of "Health Equity Resource Communities" (HERCs) to allocate resources to areas of the State that are experiencing health disparities. HERCs will aim to improve health outcomes, increase access to primary care, and promote disease prevention services. The Act also aims to reduce health care costs and hospital admissions and readmissions, and authorizes incentives for health care practitioners or community health workers (CHWs) that practice in an HERC. Grant funding for specified entities will be provided through this program and must be for two years, and special consideration must be given to proposals from areas previously designated as Health Enterprise Zones (HEZs).

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

The Pathways to Health Equity Program is designed to address the fact that racial and ethnic minorities are more likely to experience poor health outcomes. 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.<sup>3</sup>

Funding for local county health departments is to address deficits related to closing their self-supported fee-for-service clinics during the pandemic.

### *Primary Delivery Mechanisms and Partners*

MCHRC will implement the Pathways to Health Equity program with the assistance of the HERC Advisory Committee, the Maryland Department of Health's Office of Minority Health and Health Disparities, and Chesapeake Regional Information System for our Patients (CRISP). CRISP will provide technical assistance to MCHRC for the Pathways to Health Equity program by maintaining a data set and supporting program evaluation for the program. Additional program partners will be identified as grantees during the request for proposal process in summer 2021.

The HERC Advisory Committee includes representatives from the following organizations:

- The Honorable Edward J. Kasemeyer, Chair, Community Health Resources Commission and Chair of the HERC Advisory Committee
- Minority Health and Health Disparities, Maryland Department of Health
- Alyssa L. Brown, JD, Director, Innovation, Research, and Development, Office of Health Care Financing, Maryland Department of Health
- Rebecca A. Altman, RN and MBA, Vice President and Chief Integration Officer, LifeBridge Health
- Elizabeth L. Chung, Executive Director, Asian American Center of Frederick
- Michelle Spencer, MS, Associate Chair, Inclusion, Diversity, Anti-Racism, and Equity, Department of Health Policy and Management, Johns Hopkins Bloomberg School of Public Health
- Maura Dwyer, DrPH and MPH, Senior Officer, the Health Impact Project, The Pew Charitable Trusts
- Jonathan Dayton, MS, NREMT, Community Relations and Population Health Supervisor, Mt. Laurel Medical Center
- Mikayla A. Walker, MPH, Management Consultant with ReefPoint Group in developing elder care national planning strategies for the Veteran Health Agency
- Jacqueline J. Bradley, MSN, MSS, CRNP, Bradley Consulting, LLC, and former Adult Nurse Practitioner, Kaiser Permanente for more than twenty years, and lead Nurse Practitioner for Community Ambassador Program at Kaiser (now retired from Kaiser)
- The Honorable John A. Hurson, Esq., former Chair, Maryland Community Health Resources Commission

The HERC Advisory Committee is responsible for HERC 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.

### *Intended Outcomes*

- Reduce health disparities
- Improve health 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
- Cover Local Health Department fee-for-service clinics' revenue shortfalls due to COVID-19.

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<sup>3</sup> [http://mgaleg.maryland.gov/2021RS/fnotes/bil\\_0002/sb0172.pdf](http://mgaleg.maryland.gov/2021RS/fnotes/bil_0002/sb0172.pdf)

### *Use of Evidence*

In designing and reviewing RFP applications for grant funding, the HERC Advisory Committee will determine how evidence-based programs are integrated into the program. Specifically, one of the HERC advisory subcommittees is dedicated to data and program evaluation.

### *Community Engagement*

All HERC Advisory Committee and Subcommittee meetings are public, with the option for community members to participate virtually. Additionally, one of the HERC advisory subcommittees is specifically dedicated to community engagement, with its first meeting to discuss community engagement scheduled for mid-September. In October through November 2021, regional forums will be held across the State to inform communities and potential applicants about the Pathways RFP.

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 submit an application to MCHRC on behalf of the area. The application must include community-based organizations to provide health and support services within the HERC. These community-based organizations will outline practices for community engagement and outreach.

### *Performance Metrics and Financial Reporting*

The HERC subcommittee will work to develop performance metrics throughout fall 2021 and winter 2022.

- By December 1, 2021, MCHRC must issue an interim report to the Governor and the General Assembly on grants awarded. By January 1, 2023, MCHRC must issue a final report to the Governor and the General Assembly on (1) grants awarded; (2) options to develop, sustain, and establish a permanent HERC program in the Maryland Department of Health (MDH); (3) cost-effective ways to measure the impact of an HERC; (4) workforce and recruitment strategies to be used by an HERC; and (5) any recommendations, including legislative recommendations, related to HERCs.
- Maryland cancer and heart disease mortality rates per 100,000 population estimate
- Infant mortality rate for all races and African-Americans, and percent births with first trimester care

## 1C - Healthy Schools

1C - EC 1.4 **Heating, Ventilation, and Air Conditioning Upgrades for Public School Buildings**  
\$80,000,000

[Website:](#) Healthy School Facility Fund

**Summary:** To provide 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 Facilities Fund (HSFF). 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.

### Timeline:

FY 2022 (\$40 Million):

<b>Dates</b>	<b>Activity</b>
8/12/2021	IAC Approval of the Healthy School Facility Fund (HSFF) Administrative Procedures Guide & Release of Schedule and Application Instructions
8/13/2021-9/10/2021	Application submission period
9/10/2021-10/22/2021	IAC Staff review period
11/18/2021	IAC approval of project allocations
6/1/2022	All project funds to be encumbered
10/3/2022	Deadline for funds to be substantially expended
5/1/2023	Last day to submit requests for reimbursement

FY 2023 (\$40 Million):

<b>Dates</b>	<b>Activity</b>
7/8/2022	IAC Approval of the Healthy School Facility Fund (HSFF) Administrative Procedures Guide & Release of Schedule and Application Instructions
7/9/2022-7/26/2022	Application submission period
7/26/2022-9/8/2022	IAC Staff review period
10/14/2022	IAC approval of project allocations
6/1/2023	All project funds to be encumbered
10/3/2023	Deadline for funds to be substantially expended
5/1/2024	Last day to submit requests for reimbursement

### Full Project Description:

#### *Overview*

The program 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.

Project funding priority will be based first on the severity of an immediate life, safety, or health environmental risk, and second on the following defined categories of work in the following order:

1. Lead in water, prioritized first to projects related to elementary school age children and second to highest levels of lead. The following help define the projects that will be considered:
  - 1.1. A level of lead at sources where water is normally ingested that exceeds 5 parts per billion. Levels must be documented through a process administered by MDE. Examples:
    - 1.1.1. Water Fountains or Bubblers; followed by
    - 1.1.2. Faucets or taps that are used or potentially used for drinking or food preparation;
    - 1.1.3. Ice Makers; and
    - 1.1.4. Hot Drink Machines;
2. Roofs.
3. Lack of, unreliable, or insufficient air-conditioning, with priority given to schools that do not have any air conditioning.
4. Unreliable or insufficient heating.
5. Temperature regulation.
6. Indoor air quality, including
  - 6.1. Mold remediation and prevention, including pipe insulation to reduce condensation; and
  - 6.2. Remediation of other indoor pollutants affecting air quality.
7. Windows.
8. Additional priority consideration will be given to projects in elementary schools and special-education needs schools, followed by middle schools and high schools in that order.

The final allocation determinations to specific local education agencies (LEAs) will not be available for reporting until October 2021.

#### *Primary Delivery Mechanisms 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.

#### *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

#### *Use of Evidence*

The grants provided to the LEAs will be utilized to provide funding for projects that provide corrective solutions that address immediate life safety and environmental health risks that threaten the school facility occupants.

## *Community Engagement*

N/A

## *Performance Metrics and Financial Reporting*

- 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)

## 2A - Business Assistance for Hospitality and Entertainment

2A - EC 2.11 **Aid to Hotels, Motels, Live Entertainment Venues, and Restaurants**  
\$42,000,000

[Website](#): Hotel/Motel and Restaurant Grants (Under “Local” Programs, by County)

[Website](#): Entertainment Venues

**Summary**: Provide funding to local governments for grants 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.

Provide grants to **live entertainment venues** or promoters of live performances.

Provide funding to local governments for grants up to \$12,000 to catering, drinking places (alcoholic beverages), or **restaurants** and other eating places, categorized as North American Industrial Classification Codes 722320, 7224, and 7225, respectively.

### Timeline:

**Hotels/Motels**: Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021, and by May 28, all counties and Baltimore City had signed and returned them, and funding totaling \$9,969,589 had been distributed to those jurisdictions. The total is slightly lower than the \$10 million allocated to this grant program because Caroline County did not accept all their allocated funds. As of June 22, 2021, all jurisdictions responded that they would have all their funds allocated by June 30, 2021.

**Live Entertainment Venues**: DHCD opened the Entertainment Venues II application round via Maryland OneStop on March 22 through April 2, 2021, to accept applications 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.

**Restaurants**: Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021. As of May 28, 2021, all counties had signed and returned their agreements, and all had received their funding (totaling \$22,000,000). As of June 22, 2021 (most recent data available), counties have reported distributing grants to 505 recipients totaling \$2,987,756.

### Full Project Description:

#### *Overview/Primary Delivery Mechanisms and Partners/Community Engagement*

- **Hotels/Motels**: The Maryland Economic Development Assistance Authority and Fund provides funding to local governments for grants 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 is part of a multiple-location franchise, it must be owned by a local franchisee. Lastly, the recipient businesses must demonstrate a need for assistance. Priority shall be given to businesses that have not received prior funding from the Authority.
- **Live Entertainment Venues**: DHCD will prioritize grants to those who closed or cancelled live performances due to capacity limitations in response to the pandemic and for which any previously received State or federal stimulus funds were not sufficient to cover the fixed costs of the live venue or promoter.
- **Restaurants**: The Maryland Economic Development Assistance Authority and Fund provides funding to local governments for grants up to \$12,000 to catering, drinking places (alcoholic beverages), or restaurants and other eating places, categorized as North American Industrial Classification Codes 722320, 7224, and 7225, respectively. Recipient businesses must demonstrate a need for assistance. At least 15% of the amount

distributed shall be distributed to disadvantaged businesses. Priority shall be given to businesses that have not received prior funding from the Authority.

*Intended Outcomes*

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

*Use of Evidence*

N/A

*Performance Metrics and Financial Reporting*

- Number of businesses in hospitality and entertainment industry compared to pre-pandemic baseline
- Sales tax receipts for hospitality and entertainment industry compared to pre-pandemic baseline
- *Hotels/Motels:* [Approved Amounts by County and Reported Awardees by County and Zip Code](#)
- *Live Entertainment Venues:* [Approved Grants by County and Venue Type](#)
- *Restaurants:* [Distribution of Funds by County and Disbursements by County and Zip Code](#)

## 2B - Business Assistance for Agriculture

2B - EC 2.12 **Rural and Agricultural Business Grants and Technology Transfer Funding**  
\$3,500,000

[Website](#): Rural Rebuild Challenge (TEDCO)

[Website](#): Pandemic Recovery Equipment and Working Capital Loan Fund (MARBIDCO)

**Summary:** Support the recovery of Maryland's rural and agricultural businesses through targeted grant programs administered by the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) (\$2 million) and the Technology Development, Transfer, and Commercialization program in the Maryland Technology Development Corporation (TEDCO) (\$1.5 million).

**Timeline:** Grant application deadlines for MARBIDCO programs were on April 1, 2021 and May 15, 2021, with funds distributed before the end of FY 2021.

TEDCO opened the Agriculture and Rural Rebuild Challenge grant request application process 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 before the end of FY 2021.

### Full Project Description:

#### *Overview*

MARBIDCO established six distinct grant programs to provide immediate pandemic adjustment and economic development assistance to agricultural and rural businesses in Maryland:

- **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 very 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 developed because of 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.

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.

*Primary Delivery Mechanisms and Partners:*

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, and 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 include 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.

*Intended Outcomes:*

- Stabilization of agricultural and rural businesses throughout the State
- Increased utilization of food benefit programs at Maryland farmers markets

### *Use of Evidence:*

- Non-metro poverty rates are higher than metro, and education levels are lower. In addition, rural economies are more often dependent on a single industry, leaving them vulnerable to economic downturns.<sup>4</sup>
- The COVID-19 pandemic disrupted the livestock industry in the US, including supply chains. Pandemic restrictions and staffing issues caused many plants to reduce production, creating a backlog.<sup>5</sup>
- The pandemic disproportionately impacted people on the lower end of the income spectrum, and there was a marked increase in demand for SNAP benefits. USDA has also recognized this need by enacting emergency increases in their food assistance programs.<sup>6</sup>

### *Community Outreach*

Not applicable due to the speed in which funding was allocated, awarded and distributed.

### *Performance Metrics and Financial Reporting*

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

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<sup>4</sup> <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/rural-economy/>

<sup>5</sup> <https://www.usda.gov/sites/default/files/documents/covid-impact-livestock-markets.pdf>

<sup>6</sup>

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

## 2C - Small Business Assistance

2C - EC 2.9 **Support for Small, Minority and Women-Owned Businesses**  
\$13,500,000

[Website](#): Main Street Maryland

[Website](#): Maryland Small, Minority and Women-Owned Businesses Account

[Website](#): Online Sales Framework (Under "Local" Programs, by County)

Summary: Provide support for a variety of small businesses through:

- a grant program to help preserve the State's main street economies (\$2 million);
- infusion of additional funding into the State's existing Maryland Small, Minority, and Women-Owned Businesses Account (SMWOBA) (\$10 million);
- a grant program to assist businesses in setting up an online sales framework and offering employees telework opportunities (\$500,000); and
- investments in tourism marketing for Maryland small businesses (\$1 million).

Timeline: Funding for all small business support programs was distributed in FY 2021.

### Full Project Description:

#### *Overview*:

Main Street Maryland, a program of the Maryland Department of Housing and Community Development, strives to strengthen the economic potential of Maryland's traditional main streets and neighborhoods. The \$2 million program allocation provides designated communities with support for economic planning, marketing and promotion, training and education. Main Street Maryland consists of 33 designated communities that have exhibited a commitment to fostering economic revitalization and sustainability in their downtown districts. Designations are earned through a competitive process that highlights a five-point approach that incorporates design, local organization, promotion, economic development, and sustainability. Main Street Maryland's traditional downtown economic and cultural districts are the cornerstones of local communities throughout the State of Maryland. They feature historic architecture as well as locally owned shops and boutiques, arts, unique events & festivals, and a variety of restaurants and cafés which all make for a fun and authentic experience.

The Maryland Small, Minority and Women-Owned Businesses Account provides grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State. Each of eight fund managers was allocated \$1,250,000 to make loans and other transactions. As of June 22, 2021, the Department of Commerce had received requests for funding for 154 small businesses totaling \$9,109,877 (89 Loans totaling \$6,672,377; 33 Grants, totaling \$1,187,500; and 31 Converted Loans to Grants totaling \$1,250,000.)

The Maryland Economic Development Assistance Authority and Fund, in the Department of Commerce, provided grants to businesses to assist the businesses in setting up an online sales framework and offering employees telework opportunities. Commerce sent out grant agreements to the counties and Baltimore City on March 24, 2021. As of May 28, 2021, all had signed and returned their agreements and had received their funding.

The Maryland Tourism Development Board, in the Department of Commerce, used ARPA funding to market Maryland small businesses for tourism. Destination marketing organizations 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.

*Primary Delivery Mechanisms and Partners:*

Main Street Maryland Partner Organizations:

- Bel Air Downtown Alliance, Inc.
- Belair-Edison Neighborhoods, INC.
- Brunswick Main Street, Inc.
- Cambridge Main Street, Inc.
- City of Aberdeen
- City of Hagerstown
- City of Salisbury
- City of Taneytown
- City of Westminster
- Community Foundation of Carroll County, Incorporated
- Downtown Annapolis Partnership
- Downtown Denton Main Street, Inc.
- Downtown Frederick Partnership, Inc.
- Dundalk Renaissance Corporation
- Elkton Alliance Inc.
- Ellicott City Historic District Partnership, Incorporated
- Federal Hill Main Street, Inc.
- Fells Point Main Street Inc.
- Hamilton-Lauraville Main Street, Inc.
- Havre de Grace Alliance, Inc.
- Historic Frostburg - A Maryland Main Street Community Inc
- Main Street Historic Chestertown, Inc.
- Main Street Middletown, MD, Inc.
- Main Street Princess Anne, Inc.
- Mayor & City Council of Cumberland
- Mayor and City Council of Laurel
- Mid-Shore Community Foundation, Inc.
- Mount Airy Main Street Association, Inc.
- Oakland Heritage Community Foundation Inc.
- Ocean City Development Corporation
- Old Takoma Business Association, Inc.
- Pig Town Main Street, Inc.
- Reisterstown Improvement Association, Inc.
- Southeast Community Development Corporation
- The Town of New Market
- The Town of Williamsport
- Town Council of Centreville
- Town of Berlin
- Town of Thurmont, Inc.
- Upton Planning Committee
- Waverly Main Street Inc.

Small, Minority and Women-Owned Business Fund Managers:

- 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

*Use of Evidence:*

The SMWOBA has been providing capital for small businesses since 2013. From the inception of the Fund to June 30, 2020, 624 transactions have been approved for \$77.5 million, projected to create 3,804 new jobs and retain 4,955, leveraging \$162 million in private sector capital. A total of 544 transactions have settled for \$64.9 million expected to create 3,103 jobs and retain 4,318 leveraging \$64.9 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.

Similarly, the Main Street Maryland program has been supporting main street business communities since 1998. Nationally, Main Street organizations that make up the Main Street Network have rehabbed more than 251,000 buildings, produced \$61.7 billion in investment, and created 528,557 jobs.<sup>7</sup>

Other financial support in this program assumes that without grant funding, businesses would shut down, resulting in permanent job loss.

*Community Engagement:*

Not applicable due to the speed in which funding was allocated, awarded and distributed.

*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

*Performance Metrics and Financial Reporting*

- Number of businesses provided financial relief grants, including name, industry, award amount, location, FEIN, zip code, demographic information
- Breakdown of use of grants (i.e. salary expenses, marketing, infrastructure improvements, on-line sales websites created, etc.)
- Breakdown of use of SMWOBA loans
- [Funding Distribution of Main Street Program Grants by County, Zip Code and Awardee](#)
- [Small Business Marketing Grants by County](#)
- [Online Sales Framework Grants by County and Zip Code](#)

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<sup>7</sup> <https://www.preservationmaryland.org/advocacy/issues/main-street/>

## 2D - Business Assistance - Other

2D - EC 2.11 and 2.13 **Support for Private Sector Telework and Grants for Non-Sales and Use Tax and Local Commuter Bus Operators**  
\$23,000,000

[Website](#): Online Sales Framework (Under “Local” Programs, by County)

[Website](#): Commuter and Shuttle Bus Relief Program

**Summary**: Support economic stabilization and growth during and post-pandemic through grants to businesses to facilitate employee telework (\$5 million), and address pandemic revenue shortfalls by providing grants to private commuter and shuttle bus operators (\$8 million), and other businesses that demonstrate a need for assistance that were not eligible through other existing programs (\$10 million).

**Timeline**: Telework support funding will be awarded to local jurisdictions in July and August 2021. Local jurisdictions will then solicit grant applications and award grants to businesses to either facilitate new telework expansion or reimburse businesses for previous telework expenses that were incurred after March 2021.

For local bus operators, the Department of Commerce sent grant agreements to the six eligible companies on March 22, 2021, and as of April 14, has received all six returned grant agreements. As of May 12, 2021, Commerce distributed \$8,000,000 to six companies.

Commerce began accepting business sales and use tax relief applications on March 30, 2021. As of May 28, 2021, 4,140 applications were started. Of those, 1,802 were submitted and 1,131 were approved in June 2021, for a funding total of \$10 million.

### Full Project Description:

#### *Overview*

The Maryland Economic Development Assistance Authority and Fund (MEDAAF), in the Department of Commerce, will provide grants to local jurisdictions (all 23 counties and Baltimore City) to assist businesses in setting up and/or further offering employees telework opportunities. These grants can also be used for expense reimbursement for any purchases made after March 2021 to facilitate telework. Increasing telework opportunities has many advantages for businesses, including reduced risk for disease transmission, increased retention, potential for lower overhead expenses, and a wider applicant pool for employees. There are also multiple environmental benefits from reducing commuter driving, as well as relieving traffic congestion in urban and suburban areas.

Private commuter and shuttle bus operators were negatively impacted by a reduction in service by the Maryland Transit Administration during the pandemic, and these operators are essential to provide transit services to residents who rely on them to get to work, school, health care facilities, etc. To ensure these operators did not shut down permanently and could continue to serve Maryland neighborhoods that rely on them, grant awards were provided to address revenue shortfalls.

The MEDAAF also provided up to \$9,000 grants to businesses that do not collect the sales tax and can demonstrate a need for assistance. At least 15% of the amount distributed was to disadvantaged businesses, and priority was given to businesses that have not received prior funding from the Authority.

#### *Primary Delivery Mechanisms and Partners*

- Local government economic development agencies
- Maryland Transit Administration (to identify bus operators)

### *Intended Outcomes*

- Increased utilization of telework policies by private industry
- Increased financial viability of businesses by adopting telework policies
- Improved quality of life for teleworking employees
- Stabilization and continued operation of bus transit service providers
- Stabilization and continued operation of businesses that experienced financial hardship during the pandemic

### *Use of Evidence*

Large-scale teleworking operations were a new experiment for most employers during the pandemic. While there is not yet clear long-term evidence regarding the improvement of both business operations and employee satisfaction as a result of telework, the State believes that these grantees can serve as a pilot study to evaluate positive outcomes.

Other financial support in this program assumes that without grant funding, businesses would shut down, resulting in permanent job loss.

### *Community Engagement*

Not applicable due to the speed in which funding was allocated, awarded and distributed.

### *Performance Metrics and Financial Reporting*

- Number of businesses provided financial relief grants, including name, industry, award amount, location, FEIN, zip code, demographic information
- Breakdown of use of grants
- Number of employees supported with grants
- Demographics/geographic location of employees supported
- [Funding Distribution of Local Commuter Bus Assistance Grants](#)
- [Non-Sales and Use Tax Grants by Zip Code and County with Breakdown of Disadvantaged Businesses](#)

## 2E - Community and Public Benefits

2E - EC 2.3 and 2.13 **Cash Transfers and Pre-Trial Home Monitoring**  
**\$233,000,000**

[Website](#): Temporary Cash Assistance

[Website](#): Temporary Disability Assistance

Summary: To provide financial support to eligible individuals, households, and nonprofit organizations most disproportionately impacted by the pandemic. This includes nonprofit assistance, cash assistance, and fee assistance.

### Timeline

#### Cash Assistance

- Maryland began providing an additional \$100 per month per recipient for the Temporary Cash Assistance program in January 2021. Maryland intends to utilize State Fiscal Relief Funds to extend this supplement through December 31, 2021.
- Maryland began providing an additional \$100 per month to Temporary Disability Assistance Program (TDAP) recipients in February 2021. Maryland intends to utilize State Fiscal Relief Funds to extend this supplement through December 31, 2021.
- TDAP participants denied payment on or after July 1, 2020 through February 2021 were re-enrolled to the date of denial. The re-enrolled TDAP participants received the benefits they would have received had they not been removed from the program in March 2021.
- State Fiscal Relief Funds (up to \$140 million) will support increased costs related to the Temporary Cash Assistance caseload increase from March 3, 2021 onward.

#### Home Detention Monitoring Program

- Timeline TBD

### Full Project Description

#### *Overview*

The COVID-19 pandemic created substantial economic challenges for individuals and households. There are three specific programs through which State Fiscal Relief Funds will be deployed to support this project:

#### 1. Cash Assistance

- **Caseload Growth**

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, however, the State determines eligibility criteria and benefit levels. This program's enrollment for March 2020 to February 2021 grew 49 percent over the same period the year before. The growth of this program put demand on both state resources and TANF funding. Maryland is investing \$140 million State Fiscal Relief funds into the Temporary Cash Assistance program to support the sustained increase in the program. Up to \$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 will be available to support the TCA program through state fiscal year 2022.



- **Monthly Supplement**

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 will increase in October 2021.

Maryland intends to support the TDAP additional benefits and continue the additional benefit for both programs through the end of calendar 2021 with State Fiscal Relief Funds.

- **TDAP Re-enrollment**

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 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.

## 2. Home Detention Monitoring Program

- 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 takes effect July 1, 2021, and generally remains effective until one year after the end of the Governor's proclamation of the COVID-19 Catastrophic Health Emergency/State of Emergency. Maryland intends to use \$5 million State Fiscal Relief Funds to support the implementation of this new requirement and ease access to home detention, especially amid public health concerns of the spread of COVID-19 in areas of confinement.

## *Primary Delivery Mechanisms and Partners*

### Cash Assistance

- The TDAP and TCA \$100/month supplements were included in the monthly benefit payments. The one-time retroactive payment for TDAP recipients was provided directly to the recipient. The Department of Human Services, through local offices in 24 jurisdictions, administers the programs.

### Home Detention Monitoring Program

- TBD

## *Intended Outcomes*

- Aid in the recovery of income for Maryland's families.
- Equitable access to pretrial home detention monitoring
- Decrowding of correctional facilities and associated cost-savings
- 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

## *Use of Evidence*

Cash transfers, as noted by the Atlanta 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>8</sup> Providing a supplement to families in the TCA program and TDAP recipients allowed Maryland to identify the most vulnerable and efficiently distribute benefits by utilizing structures and programs already in place. Moreover, 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>9</sup>

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>10</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>11</sup> It is assumed that some defendants who would potentially be approved by a judge for private home detention services are not currently requesting it due to an inability to pay and that more indigent defendants will request home monitoring (and be approved) once it is available at no cost.

## *Community Engagement*

Not applicable due to the speed in which funding was allocated, awarded and distributed.

## *Performance Metrics and Financial Reporting*

### Cash Assistance

- Assistance by zip code
- [Allocation by zip code of TDAP supplements through 6/30/2021.](#)

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<sup>8</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>9</sup> <https://www.cbpp.org/research/poverty-and-inequality/recovery-proposals-adopt-proven-approaches-to-reducing-poverty>

<sup>10</sup><https://www.cdc.gov/coronavirus/2019-ncov/downloads/community/correction-detention/COVID-Corrections-considerations-for-loosening-restrictions-Webinar.pdf>

<sup>11</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/)

#### Home Monitoring Fee Relief

- Recipients (defendants) and funding by zip code/census tract
- Recipient demographic info (e.g. race/ethnicity, income level, etc.)

## 2F - Housing Relief

2F - EC 2.2      **Emergency Housing Grants**  
\$15,000,000

Website: N/A

Summary: The Rental Services program, administered by the Department of Housing and Community Development, shall provide grants to pay for up to 30 days of emergency housing.

Timeline: On March 29, 2021, sixteen Continuums of Care were notified of their allocations and received program design guidance and budget templates. All agreements have been returned by awardees. All agreements between DHCD and the grantees have been fully executed. As of June 25, 2021, payments to all grantees have started being processed.

### Full Project Description:

#### *Overview/Primary Delivery Mechanisms and Partners/Community Engagement*

The Rental Services program, administered by the Department of Housing and Community Development, shall provide grants to pay for up to 30 days of emergency housing. On March 29, 2021, sixteen Continuums of Care were notified of their allocations and received program design guidance and budget templates. All agreements have been returned by awardees. All agreements between DHCD and the grantees have been fully executed. As of June 25, 2021, payments to all grantees have started being processed.

#### *Intended Outcomes*

- Stable housing for Maryland's families
- Reduce the number of Marylanders experiencing homelessness

#### *Use of Evidence*

N/A

#### *Performance Metrics and Financial Reporting*

- [Allocation by Continuum of Care](#)
- Number of people or households receiving eviction prevention services (including legal representation)
- Number of affordable housing units preserved or developed

2F - EC 2.13 **Support for Legal Services for Individuals Facing Eviction**  
\$3,000,000

Website: N/A

**Summary:** The Administrative Office of the Courts shall provide a grant to the Maryland Legal Services Corporation [MLSC] to pay for legal assistance for individuals facing eviction.

**Timeline:** MLSC received \$3 million in funding on March 18, 2021 and will hold the funds for deployment beginning July 1, 2021, which will allow consideration of ongoing eviction moratoria and pending legislation. MLSC has notified twelve grantees of preliminary eviction prevention grant awards, totaling \$2.2 million. Those awards will be disbursed monthly throughout FY 2022. Remaining funds will be used to address gaps in service after reviewing grantee quarterly reports.

**Full Project Description:**

*Overview/Primary Delivery Mechanisms and Partners/Community Engagement*

Maryland Legal Services Corporation (MLSC) received \$3 million in funding on March 18, 2021. Pursuant to guidance received from the Department of Legislative Services through the Administrative Office of the Courts, MLSC reports that they will hold the funds for deployment beginning July 1, 2021, which will allow consideration of ongoing eviction moratoria and pending legislation. Prior to deployment, MLSC will convene stakeholders to plan for the most efficient and effective use of funds. MLSC has notified twelve grantees of preliminary eviction prevention grant awards, totaling \$2.2 million. Those awards will be disbursed monthly during FY 2022. MLSC also notes that it will review remaining areas of need to plan for disbursement of the remaining funds.

*Intended Outcomes*

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

*Use of Evidence*

N/A

*Performance Metrics and Financial Reporting*

[Awarded Eviction Prevention Grants by Organization and Zip Code](#) - June 30, 2021

## 2G - Utility Relief

2G - EC 2.2      **Utility Arrearage Relief and Short-Term Utility Limited-Income Mechanism**      \$103,000,000

### [Website:](#)

**Summary:** Provide grants to Maryland electric and gas utilities with the goal of reducing or eliminating residential customer bill arrearages (\$83 million). Expand the electric universal service program to include utility customers 67 years of age and older with limited annual incomes (at or below 200% of the federal poverty level (FPL)) and authorize the adoption of a limited-income mechanism to benefit eligible gas and electric utilities customers (\$20 million).

**Timeline:** Utility data collection took place from April through May 2021, grants were awarded June 2021, and bill credits will be dispersed July through October 2021.

Funding for the limited-income mechanism and expanding electric universal service is allocated for fiscal years 2021 through 2023.

### Full Project Description:

#### *Overview*

Maryland utilities reported that thousands of residential customers fell behind on their bills for electric and gas service since Governor Hogan declared a COVID-19 state of emergency in March of 2020. \$83 million of funding is targeted to alleviate a portion of the \$276 million owed by utility customers, many of whom faced significant hardship during the pandemic with loss of employment or reduced hours and income. This hardship was illustrated by the 123.5% growth in arrearage owed comparing October 2019 to October 2020. Using funding to pay down or eliminate past due balances will go a long way towards ensuring that no Marylander loses essential utility services as we emerge from this pandemic. Only residential customer accounts with arrearages that accumulated before June 30, 2021 are eligible to have the funding applied. Grants are applied to amounts owed by customers in the following order:

- Category 1: Customers who have received energy assistance from the state's Office of Home Energy Programs (OHEP) within the last four years (OHEP is a division of the Maryland Department of Human Services);
- Category 2: Customers who have special medical needs certificates on file with their utility; and,
- Category 3: Customers with the oldest arrearages. For category 3, each utility will be allocated funds based on its statewide share of the total arrearages and will determine how much a customer's account will be credited.

Funds will appear as bill credits in the coming months. The utilities are directed to communicate with customers regarding the application of ARPA funds to their past-due bills. The messaging should also inform customers of their options for energy assistance, including Office of Home Energy Programs (OHEP) and utility payment plans, and should also identify organizations—including the Maryland Office of People's Counsel and the Maryland Fuel Fund—that can help customers seek assistance.

Utility companies authorized to establish a limited-income mechanism, such as a credit, rate, or rider, 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 FPL (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.

### *Primary Delivery Mechanisms and Partners*

The grants were provided to 20 utility providers across all jurisdictions in the State to ensure quick and efficient distribution of relief. The categories of relief were designed to ensure effective and equitable distribution. Additional partners include OHEP and the Maryland Office of People's Counsel, who can help customers seek assistance.

Utility companies will be key partners in adopting limited-income mechanisms for their service rates.

### *Intended Outcomes*

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

### *Use of Evidence*

By providing grants to the utilities who hold arrearages to provide bill credits to customers, there will be direct debt relief that will allow low-income and disadvantaged Marylanders to afford other critical living expenses including other housing costs, transportation, and food instead of allocating funds to pay their arrearages.

"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 householders 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>12</sup>

### *Community Engagement*

The Public Service Commission order regarding this arrearage relief program was open for public comment. The Commission received recommendations regarding fund allocation from the 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 Staff.

### *Performance Metrics and Financial Reporting*

- [Grants to utilities, listed by utility](#) (See Appendix A)
- Customer relief provided by zip code
- Number of customers provided relief
- Average amount of relief per customer
- Total change in utilities arrearage balances
- Total customers served by limited income mechanism
- Total reduction in energy expenses for customers using the mechanism
- Change in customer arrearages owed
- Successful completion of payment plans
- Total of uncollectible costs

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<sup>12</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4819257/>

## 2H - Non-Profit Assistance

### 2H - EC 2.10 and 2.13 **Grants to Food Banks, Art Organizations/Artists, and Volunteer Fire Departments/Rescue Squads**

\$39,000,000

[Website:](#) Maryland Food Bank

[Website:](#) Capital Area Food Bank

[Website:](#) Maryland Arts Council

[Website:](#) Volunteer Fire Department and Rescue Squad Grants

#### Summary

Provide grants to certain non-profit organizations to mitigate financial impacts of the COVID-19 pandemic.

#### Timeline

- *Food Banks:* 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. CAFB and MFB distributed warehouse and personnel costs monthly to each jurisdiction.
- *Non-profit Grants:* The Department of Housing and Community Development distributed funds to local governments in April 2021 and the local governments are to award grants to nonprofits no later than September 30, 2021.
- *Maryland State Arts Council (MSAC) Grants:* MSAC released an application for grant funding on March 5, 2021, with a deadline of April 1, 2021. Application review began on March 24, prioritizing the review of individual artists. Internal reviews were completed mid-April 2021. Staff sent award notifications April 26-30, 2021 with instructions to sign and return grant agreement forms. MSAC staff began to countersign grant agreements and process payments on May 3, 2021 and will continue to process payments as grantees return grant agreement forms.
- *Volunteer Fire Department and Rescue Squad Grants:* The Maryland Emergency Management Agency distributed applications in mid-March 2021. Application review began in late March. Grant funding was distributed in mid-July 2021.

#### Full Project Description

##### *Overview*

Every nonprofit organization was impacted differently by the pandemic. Some, like food banks and community organizations, experienced increased demand for their services resulting in an increased financial burden. Others, like artists, venues, and organizations, faced limited opportunity to cultivate new donors or revenue streams due to closures and distancing requirements.

##### Food Banks - \$10,000,000

The Department of Human Services (DHS) distributed grants to the Maryland Foodbank (MFB) and the Capital Area Foodbank (CAFB). 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.

- Non-profit Grants - \$20,000,000

The Department of Housing and Community Development distributed funding to local governments to provide grants to nonprofits with demonstrated need, with priority given to organizations that had not already received assistance through Maryland's Nonprofit Recovery Initiative, which originally launched in June 2020.

- Maryland State Arts Council - Grants Program - \$5,000,000

The Council provided 838 emergency art 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 such:

- \$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.

- Volunteer Fire Department and Rescue Squad Grants - \$4,000,000

The Maryland Emergency Management Agency (MEMA) 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 EMS applications have been received for consideration of funding. Estimated losses reported by the applicants total \$11,634,866.67. Payments to departments coordinated by the Maryland Military Department Finance Office commenced in early to mid-July.

#### *Primary Delivery Mechanisms and Partners*

- The Department of Human Services distributed the funding to the CAFB and MFB which provided funding and food commodities to each network of local partners.
- The Department of Housing and Community Development distributed funding to local jurisdictions. The local jurisdictions are to distribute the grant awards to the non-profits.
- The Maryland State Arts Council, an agency of the State of Maryland under the authority of the Department of Commerce, distributed the funding to the organizations and artists.
- The Maryland Emergency Management Agency distributed the funding to volunteer fire departments and rescue squads.

#### *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>13</sup>

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<sup>13</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)

The Food and Nutrition Services of the US Department of Agriculture has acknowledged through its efforts that food insecurity was exacerbated by the pandemic. The MFB saw a “91% Increase when compared to the amount of food distributed between the same 15-month period prior to COVID (March 2018-May 2019)” equating to a 433% increase in costs.<sup>14</sup> The resources provided to the MFB and CAFB will address food insecurity across Maryland. Addressing food insecurity is particularly important in ensuring 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) both emphasize the importance of good nutrition in children when it comes to performing well in school.”<sup>15</sup>

### *Community Engagement*

- The non-profit assistance grants are awarded by the local jurisdictions.
- The Maryland Food Bank and the Capital Area Food Bank have community partners across all jurisdictions.
- MSAC’s strategic plan includes a goal to broaden its constituency, providing avenues designed to increase pathways to engagement. MSAC documents its progress towards all goals [here](#).
- All volunteer fire and rescue organizations were provided an application.

### *Performance Metrics and Financial Reporting*

#### Nonprofit Assistance

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

#### Food Banks

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

#### Art Council Grants

- [Allocation of grants by zip code.](#)

#### Volunteer Fire Department and Rescue Squad Grants

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

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<sup>14</sup> <https://mdfoodbank.org/maryland-food-banks-covid-19-response/>

<sup>15</sup> <https://www.nea.org/student-success/smart-just-policies/funding-public-schools/nutrition-programs>

## 2I - Job Training

2I - EC 2.7 Grants to Workforce Development Organizations and Community Colleges  
\$92,000,000

[Website](#) - Local Workforce Development Boards

[Website](#) - Maryland Higher Education Commission

[Website](#) - Baltimore City Community College

### Summary

Provide 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, or educational opportunities.

### Timeline

#### *State Fiscal Year 2021*

The Maryland Department of Labor disseminated applications to LWDB in March 2021. As of May 12, 2021, all thirteen workforce boards have submitted proposals, and all have been approved and \$7 million in funding was obligated.

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.

#### *State Fiscal Year 2022*

The LWDBs were notified that \$37.5 million of funding was available in the fiscal year 2022 budget for job training assistance. The Maryland Department of Labor issued applications for funding for the LWDBs in June 2021. The Maryland Department of Labor is in the process reviewing applications and making awards.

#### *Beyond State Fiscal Year 2023*

Maryland set aside \$37.5 million for LWDBs for state fiscal year 2023. The state fiscal year budget is currently under development and will be finalized in spring 2022.

### Full Project Description

#### *Overview*

Due to the almost complete shutdown of the economy for several weeks beginning in March 2020, the unemployment rate peaked in April 2020 at 9% from 3.5% in February 2020. While unemployment has steadily declined as the State economy reopened, the unemployment rate still remains well above the pre-pandemic level. The unemployment rate in June 2021 was 6.2%. Marylanders looking to reenter the workforce after a period of unemployment or underemployment will be met with services and support through community colleges and LWDBs. Maryland is investing \$82 million State Fiscal Relief Funds in LWDBs and \$10 million State Fiscal Relief Funds to community colleges to ensure a strong recovery.

Maryland's thirteen workforce development areas are supported by Local Workforce Development Boards (LWDB). The Maryland Department of Labor, under the same formula used to distribute fiscal year 2021 Federal Workforce Innovation and Opportunity Act (WIOA), distributed funding to each LWDB to engage, upskill, and connect residents to employment and summer job programs, including providing subsidized employment opportunities for the unemployed, youth (ages

16-24), adults, ex-offenders, and other populations who need reemployment assistance. Between March 3 and the end of fiscal year 2021, the project's highlights include:

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

MHEC distributed funding to 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. The program 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%.

#### *Primary Delivery Mechanisms and Partners*

The funding is obligated and distributed to the 13 LWDBs and to 16 community colleges. The funding was allocated to the LWDBs using the 2021 WIOA formula. The funding to 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 Department of Labor and the Maryland Higher Education Commission provide administrative and technical support to LWDBs and the community colleges.

#### *Intended Outcomes*

- 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.
- To reverse the impact of the pandemic on Maryland's unemployment rate.

#### *Use of Evidence*

Funding is distributed to LWDB established under federal WIOA. WIOA is an evidence-based workforce development policy. This project leverages the structures and strategies already in place under WIOA and expands funding to address the specific impacts of the COVID-19 pandemic.

Community colleges are identified by the federal government as critical partners in addressing the skill development needs of employers and to support workers in gaining skills and transitioning quickly from unemployment to employment.

*Community Engagement*

Each LWDB submits a Local Workforce Plan under the federal WIOA which outlines the community engagement in each workforce development area. For example, the [Baltimore City Local Workforce Plan 2020-2024 draft](#) notes, “the BWDB envisions a comprehensive system in which public agencies, the nonprofit community and the private sector work in true partnership to create an industry sector strategy that stimulates career pathways for residents to access good jobs and provides a simplified process for employers to find their skilled workforce. Workforce solutions have proven successful when we engage our local partners. An industry sector strategy approach collectively addresses the workforce needs of businesses and the needs of city/local residents by creating better employment opportunities with career pathways.”

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. This project expands funding available to assist individuals seeking postsecondary education to reskill or train for employment.

*Performance Metrics and Financial Reporting*

Performance Metrics - LWDBs: TBD - Each LWDB is developing metrics consistent with the use of funding outlined in its applications for funding.

Funding Allocation - LWDBs:

- [Allocation of \\$7 million to LWDBs in state fiscal year 2021.](#)
- Allocation of \$37.5 million to LWDBs in state fiscal year 2022:

<b>Local Workforce Development Area</b>	<b>State Year Fiscal 2022 Funding</b>
Anne Arundel	\$2,467,500
Baltimore City	\$6,825,000
Baltimore County	\$4,841,250
Carroll County	\$1,263,750
Frederick	\$1,237,500
Howard County	\$1,653,750
Lower Shore	\$1,950,000
Montgomery	\$4,241,250
Prince George’s	\$5,943,750
Southern Maryland	\$1,638,750
Susquehanna	\$1,837,500
Upper Shore	\$1,406,250
Western Maryland	\$2,193,750
<b>Total</b>	<b>\$37,500,000</b>

Performance Metrics - Community Colleges:

- TBD - The community colleges are developing metrics.

Funding Allocation - Community Colleges:

- [Allocation of \\$10 million to community colleges and scholarships awarded by zip code in state fiscal year 2021](#)

## 2J - Broadband Services

2J - EC 2.4      **Expansion of Broadband Access for Disconnected Communities**  
\$84,000,000

[Website](#): Office of Statewide Broadband

Summary: The Office of Statewide Broadband (OSB), housed within the Department of Housing and Community Development (DHCD), will manage the following projects aimed at expanding internet access across the state:

- **Device Subsidy**: Provide funding for technological devices for qualified Maryland households (\$30,000,000).
- **Digital Inclusion**: Provide support to non-profits for the purpose of making their communities better able to participate in a digital society (\$2,000,000).
- **Digital Navigators**: Provide trained individuals to help Marylanders navigate getting online (\$2,000,000).
- **Gap Networks**: Support local community-based solutions to address gaps in broadband access and delivery (\$5,000,000).
- **Service Fee Subsidy**: To provide subsidized funds for monthly broadband service fees for qualified Maryland households (\$45,000,000).

Timeline:

- **Device Subsidy**: This project is slated for Fall 2021.
- **Digital Inclusion**: This project is slated for Winter 2021/Spring 2022.
- **Digital Navigators**: This project is slated for Spring/Summer 2022.
- **Gap Networks**: This project is slated for Spring 2022.
- **Service Fee Subsidy**: This program will begin in August or September 2021 and is slated to run for one year.

Full Project Descriptions:

*Overview*

- **Device Subsidy**: Devices will be provided to eligible households to assist in closing the digital divide.
- **Digital Inclusion**: There are many existing organizations tackling digital divide issues across the State. DHCD will provide funding to enable this work.
- **Digital Navigators**: The State will provide these funds as a grant to the University of Maryland Extension (UME), a statewide, non-formal education system within the College of Agriculture and Natural Resources and the University of Maryland Eastern Shore. UME will hire personnel to implement the digital literacy program that the agency develops.
- **Gap Networks**: DHCD will develop relationships with and provide funding to nonprofits providing free internet service to disadvantaged households.
- **Service Fee Subsidy**: The program will address digital equity issues across the State.

### *Primary Delivery Mechanisms and Partners*

- **Device Subsidy:** DHCD will purchase devices utilizing the State's buying power to control the cost and capability. DHCD will offer the devices to local jurisdictions as equipment grants and the local jurisdictions will be responsible for distributing the devices.
- **Digital Inclusion:** DHCD will provide grants to organizations doing digital inclusion work.
- **Digital Navigators:** The State will provide grant funding to UME, who will then develop partnerships with nonprofits and local jurisdictions.
- **Gap Networks:** DHCD will provide grants to nonprofits who are working to provide free internet service.
- **Service Fee Subsidy:** DHCD is planning to partner with internet service providers that are enrolled in the FCC's Emergency Broadband Benefit (EBB). The EBB program provides up to a \$50 monthly subsidy for service; OSB would add a \$15 monthly subsidy to allow a household to upgrade their service to a higher tier.

### *Intended Outcomes*

- **Device Subsidy:** Increase the ability of disadvantaged households to connect to the internet.
- **Digital Inclusion:** To increase the number of households and individuals utilizing the internet for their benefit.
- **Digital Navigators:** Increase the number of people utilizing the internet to increase access to services and information and improve quality of life.
- **Gap Networks:** Ensure that all households have access to the internet regardless of their financial status.
- **Service Fee Subsidy:** Increase the number of households that subscribe to broadband and ensure that the household has a sufficient level of broadband service to accommodate their needs.

### *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 ( $\$150 \times 200,000$  households = \$30 million).
- **Digital Inclusion:** N/A
- **Digital Navigators:** N/A
- **Gap Networks:** N/A
- **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 ( $250,000$  households  $\times$  \$15 service fee  $\times$  12 months = \$45 million). The combination of all of the State's broadband projects will work towards addressing the issue for the full 500,000 households.



## *Community Engagement*

- **Device Subsidy:** DHCD will partner with local jurisdictions and various non-profit partners.
- **Digital Inclusion:** DHCD will work with existing non-profits.
- **Digital Navigators:** Digital Navigators will work closely with nonprofits and local jurisdictions involved in digital literacy and inclusion programs.
- **Gap Networks:** Develop partnerships with nonprofits working to provide access to the most disadvantaged households.
- **Service Fee Subsidy:** DHCD will partner with stakeholders that are already working to enroll households in the EBB program to promote the Maryland program.

## *Performance Metrics and Financial Reporting*

- **Device Subsidy:**
  - Recipients (households) and funding by zip code/census tract
  - Recipient demographic info (e.g. race/ethnicity, income level, etc.)
- **Digital Inclusion:**
  - Recipients (nonprofits) and funding by zip code/census tract
- **Digital Navigators:**
  - Navigator focus areas (zip codes/census tracts)
  - Number of “training the trainer” sessions
  - Attendance at events
- **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.)

2J - EC 2.13 **Bridging the Digital Divide**  
\$4,000,000

Website: TBD

Summary: These funds will be administered by University of Maryland Extension (UME) to support, train, develop curriculum, and disseminate awareness and educational opportunities to bridge the digital divide and support adoption state-wide.

Timeline: This project is slated for Fall 2021/Spring 2022.

Full Project Description:

*Overview*

This project aims to develop and adapt curricula, as well as train and support Marylanders to increase their digital literacy and bridge the digital divide in Maryland.

*Primary Delivery Mechanisms and Partners*

UME will utilize funding to develop the program with input from existing nonprofits and local jurisdictions involved in digital literacy efforts.

*Intended Outcomes*

- Increase the number of people utilizing the internet to increase access to services and information and improve quality of life.

*Use of Evidence*

N/A

*Community Engagement*

The program will be developed in consultation with existing nonprofits and local jurisdictions that are working on digital literacy issues.

*Performance Metrics and Financial Reporting*

- Targeted zip codes/census tracts for marketing efforts
- Engagement of those currently working on the issue
- Expansion of entities working on digital literacy issues

## 2K - Unemployment Insurance Payments to Individuals

### 2K - EC 2.6 Meet Obligations of the State for UI Claim Payments

\$40,000,000

Website: N/A

Summary: The Comptroller's Revenue Administration Division shall provide a \$1,000 grant to any individual whose claim for unemployment benefits is pending a determination of eligibility and has been in adjudication for at least 30 days, except for a claim where the failure to determine eligibility is related to an allegation of fraud. The Secretary of Labor shall send a list of individuals eligible for a grant, along with any information necessary to distribute the grants by March 3, 2021 (as of February 28, 2021); April 5, 2021 (as of March 31, 2021); May 5, 2021 (as of April 30, 2021); June 3, 2021 (as of May 31, 2021); and July 6, 2021 (as of June 30, 2021).

Timeline: Grants were provided monthly from March through July 2021.

#### Full Project Description:

##### *Overview/Primary Delivery Mechanisms and Partners/Community Engagement*

In total, distributions total \$33,848,000, for 33,848 total claimants. The department has also posted a message to its website explaining the grant to the public, along with an accompanying link for more information about the RELIEF Act. Supplemental Budget #5 included an additional \$8 million in federal funding to support this program, above the original Recovery Now allocation of \$32 million.

##### *Intended Outcomes*

- To stabilize Maryland households experiencing unemployment due to the pandemic.

##### *Use of Evidence*

N/A

##### *Performance Metrics and Financial Reporting*

- [Distribution Status by Zip Code](#)

## 2L - Unemployment Insurance Payments to Trust Fund

2L - EC 2.8     **Replenish Maryland's Unemployment Trust Fund**  
\$1,083,000,000

Website: N/A

Summary: The State will spend \$1.1 billion to replenish Maryland's Unemployment Insurance Trust Fund in order to maintain its solvency and stabilize rates.

Timeline: TBD

Full Project Description:

### *Overview*

The State will spend \$1.1 billion to replenish Maryland's Unemployment Insurance Trust Fund in order to maintain its solvency and stabilize rates.

### *Primary Delivery Mechanisms and Partners*

The Maryland Department of Labor manages the Fund.

### *Intended Outcomes*

To replenish the Unemployment Insurance Trust Fund, alleviating the strain on the payout of benefits to struggling workers and to lower and then stabilize unemployment insurance tax rates for two years.

### *Use of Evidence*

N/A

### *Community Engagement*

N/A

### *Performance Metrics and Financial Reporting*

TBD

### 3A - Learning Loss for K-12 Students

3A - EC 3.3 and 3.5 Tutoring and Supplemental Instruction, Behavioral Health and Trauma Services, and School Reopening Grants  
\$256,575,818

Website: N/A

#### Summary

Each county board of education, including Baltimore City, shall:

- provide tutoring and supplemental instruction for public school students in grades 4 through 12 to address learning loss from the effects of the COVID–19 pandemic on education,
- establish and implement a summer school program for public school students, including students who will be in kindergarten in the upcoming school year and were eligible to attend a publicly funded prekindergarten program, to address the effects of the COVID–19 pandemic on education,
- address trauma and behavioral health issues exacerbated by the COVID–19 pandemic on students and their families and to identify and provide necessary supports and services for students,
- providing grants to help schools safely reopen for in-person instruction, and
- provide transitional supplemental instruction to prioritize students with the greatest learning losses, including students in special education and English learners programs.

#### Timeline

- 2021-2022 and 2022-2023 school years
- Summer 2021 and Summer 2022

#### Full Project Description

##### *Overview*

1. In each of the 2021–2022 and 2022–2023 school years, each county board of education, including Baltimore City, shall provide tutoring and supplemental instruction for public school students in grades 4 through 12 to address learning loss from the effects of the COVID–19 pandemic on education that:
  - aligns with the county board’s or public school’s curriculum by grade and subject;
  - limits the number of students to which a teacher may provide tutoring or instruction in a single session to not more than four students;
  - uses evidence–based programs and strategies that meet the expectations of strong or moderate evidence as defined in the federal Every Student Succeeds Act;
  - may include peer–to–peer tutoring for middle or high school students;
  - may include science or social studies tutoring for middle school and high school students;
  - occurs during the school day, to the extent practicable;
  - may occur outside of the school day, including on a weekend;
  - may provide transportation to students;
  - uses a pre– and post–assessment to evaluate a student’s progress before and after completing tutoring under this subsection that:
    - accurately measures literacy, mathematical competency, and any other academic competency;
    - is aligned with the content area in which the tutoring is provided; and
    - may be selected by the school or county board;
  - uses State and federal funding provided for COVID–19 relief in the State budget to expand existing tutoring programs as provided under this section; and
  - evaluates the effectiveness of the tutoring program at the conclusion of each school year.

2. In calendar years 2021 and 2022, each county board of education, including Baltimore City, shall establish and implement a summer school program for public school students, including students who will be in kindergarten in the upcoming school year and were eligible to attend a publicly funded prekindergarten program, to address the effects of the COVID–19 pandemic on education that:
  - includes daily academic instruction in reading or math that is aligned with the county board’s or public school’s curriculum;
  - limits the number of students assigned to each teacher in the program;
  - establishes partnerships with local government, which may include the local parks and recreation agency and library system, or community and nonprofit organizations to provide student experiences other than academic instruction;
  - in 2021, shall incorporate the county’s program for providing free and reduced price meals in the summer;
  - shall offer student transportation services to students who need transportation to participate in the program;
  - may offer incentive pay for teachers and other school employees, including higher compensation, loan forgiveness, or tuition assistance, subject to collective bargaining, as applicable;
  - may offer incentive pay for students participating in the program who are employed or participating in career training through the partnership;
  - prioritizes enrollment for students with the greatest learning loss from the effects of the COVID–19 pandemic on education;
  - administers an educational assessment to each student in the program prior to beginning the program and on completion of the program; and
  - evaluates the effectiveness of the summer school program at the conclusion of each year.

In establishing the summer school program, a county board of education:

  - is encouraged to include project–based learning, hands–on learning, individualized instruction, and group or leadership activities;
  - may not charge a fee to a student who is enrolled in the program to recover credits; and
  - shall use State and federal funding provided for COVID–19 relief in the State budget to expand existing summer.
3. 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 and to identify and provide necessary supports and services for students.
  - ensure that services provided to students address the trauma and behavioral health issues exacerbated by the COVID–19 pandemic;
  - monitor students experiencing more trauma and behavioral health issues than other students; and
  - develop key metrics and procedures, consistent with State and federal guidance, to evaluate the effectiveness and impact of behavioral health services provided to students under this section.

To the extent practicable, county boards are encouraged to utilize school–based health centers to coordinate and deliver services to students. Funds may be used to train teachers and school staff to recognize signs of student trauma or behavioral health concerns.

4. Each county board of education, including Baltimore City, shall provide transitional supplemental instruction to struggling learners in kindergarten through grade 3. Priority in providing transitional supplemental instruction shall be given to literacy. Additional mathematics instruction may be provided if it is determined that this is a priority for the students. A school district or school is encouraged to, on a pilot basis, experiment with new evidence–based means of screening, identifying, and addressing literacy deficits.

Each student who receives transitional supplemental instruction shall receive a pre- and post-standardized assessment to evaluate the student's progress before and after receiving transitional supplemental instruction under this section. "Struggling learner" means a kindergarten through grade 3 student who, on the Maryland comprehensive assessment program (MCAP) or on any successor assessment, in the prior fiscal year, scores the equivalent of a 1, 2, or 3 in English language arts or reading on the PARCC assessment. The number of grade 3 struggling learners shall be used as a proxy for the number of struggling learners in each of kindergarten, grade 1, and grade 2.

"Transitional supplemental instruction" means additional academic support for struggling learners using evidence-based programs and strategies that meet the expectations of strong or moderate evidence as defined in the federal Every Student Succeeds Act. 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 any other trained professional;
- Cross-age peer tutoring; and
- Screening, identifying, and addressing literacy deficits.

#### *Primary Delivery Mechanisms and Partners*

The Maryland State Department of Education will distribute funding to the county boards of education, including Baltimore City, who will implement the programs. More information will become available upon submission of budget narratives and project plans from the local school systems.

#### *Intended Outcomes*

- Mitigate the impact of lost instructional time associated with pandemic related school closures
- Increase the four-year graduation rate

#### *Use of Evidence*

The Maryland Department of Education and the local school systems

- Use evidence-based programs and strategies that meet the expectations of strong or moderate evidence as defined in the federal Every Student Succeeds Act,
- Uses a pre- and post-assessment to evaluate a student's progress before and after completing tutoring under this subsection that:
  - accurately measures literacy, mathematical competency, and any other academic competency;
  - is aligned with the content area in which the tutoring is provided; and
  - may be selected by the school or county board;
- Evaluates the effectiveness of the tutoring program at the conclusion of each school year.

#### *Community Engagement*

Community engagement is facilitated through State Board of Education meetings which are open to the public. Citizens also have the opportunity to engage with the twenty-four local school boards.

#### *Performance Metrics and Financial Reporting*

Performance Metrics will be under development. Performance metrics will include:

- How many students the county board served through the program by grade and the subject areas in which tutoring was provided;
- The method the county board used to identify students for tutoring;

- The budget and expenditures for the program;
- The models of tutoring provided to students, including pupil-to-tutor ratio or group size, the frequency of sessions, the amount of time per session, and the number of sessions; and
- Data on student outcomes, disaggregated by the type of model used to provide the tutoring and by race, ethnicity, gender, disability status, English language learner status, and socioeconomic status.

Report on how the county board spent funds to address trauma and behavioral health issues through summer school programs, including how the county board:

- provided behavioral health services to students;
- ensured that services provided to students addressed the trauma and behavioral health issues due to the effects exacerbated by the COVID-19 pandemic; and
- monitored students experiencing more trauma and behavioral health issues than other students; and
- measured the effectiveness and impact of behavioral health services provided to students using key metrics and procedures developed under this section.



### **3B - Learning Loss for Students in Juvenile Services**

3B - EC 3.3 Educational and Technological Support for the JSE Program  
\$1,000,000

Website: N/A

#### Summary

Provide funding to enhance the educational services provided to students in the Juvenile Services Education (JSE) Program through the Maryland State Department of Education (MSDE). The JSE program provides educational services to youth placed in Department of Juvenile Services-operated detention and residential facilities.

#### Timeline

The funding was expended between March 4th and June 2021. Current disruptions in the supply chain as a result of the COVID-19 pandemic has delayed delivery of the products.

#### Full Project Description

##### *Overview*

The Department of Education is currently responsible for developing and implementing educational programs to youth detained and committed to 13 residential facilities operated by the Department of Juvenile Services.<sup>16</sup> COVID-19 presented the same challenges to the JSE Programs that traditional school settings faced with regards to technology and equipment necessary for effective virtual learning and learning in the 21st century. Utilizing \$1 million of State Fiscal Relief Funds, MSDE is purchasing additional laptops for teachers, headphones for students and teachers, and updating student computers to complement the existing classroom technology and facilitate more personalized learning.

##### *Intended Outcomes*

- To enhance the education of students in the JSE Program.

##### *Use of Evidence*

JSE Programs are operated by MDSE. MSDE under the federal Every Student Succeeds Act (ESSA) requires that activities, strategies, practices, programs, or interventions be evidence-based.

##### *Community Engagement*

N/A

##### *Performance Metrics and Financial Reporting*

- Number of students participating in evidence-based tutoring programs - Required
- Devices Purchased
- Number of Students in JSE Program on July 1 - MFR
- Number of Students Receiving Individualized Learning

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<sup>16</sup> Beginning July 1, 2022, per Chapter 147 of 2021, responsibility of educational programming transfers from the Maryland State Department of Education to the Juvenile Services Education Board, an independent unit within the Department of Juvenile Services.

## 4A - State Employee Premium Pay

4A - EC 4.1      **Response and Quarantine Pay**  
\$137,897,050

[Website](#): Department of Budget and Management Response Pay Policy

### Summary

Provide COVID-19 Response and Quarantine Pay to certain groups of employees in recognition that these employees are performing essential services during the public health emergency with limited ability to physically distance per CDC guidelines.

### Timeline

Response pay was available to employees from July 1, 2020 - June 30, 2021 in fiscal 2021, with the exception of September 9, 2020 - April 6, 2021 (15 regular pay periods), when Response Pay was 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. Maryland intends to provide response pay through December 31, 2021.

Quarantine pay was available to employees for the entirety of state fiscal year 2021, July 1, 2020 to June 30, 2021. Maryland intends to provide quarantine pay through December 31, 2021.

### Full Project Description:

#### *Overview*

To respond to workers performing essential work during the COVID-19 public health emergency, the State authorized response and quarantine pay. Response and quarantine pay was instituted in recognition of employees being called to work when most other Marylanders were asked to remain at home. Eligible employees included employees working in 24/7 operations within the Maryland Department of Health, Department of Juvenile Services, and Department of Public Safety and Correctional Services (DPSCS), as well as all sworn police officers and State firefighters. Additionally, certain employees within the Department of Human Services and DPSCS required to intermittently perform field work were also eligible when field work was performed.

**Response Pay:** 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 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. Maryland intends to provide response pay through December 31, 2021.

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). The methodology followed the following basic steps:

- Employees who recorded Response Pay when it was available were identified and separated into two groups: (A) Full-Time Response Pay; and (B) Intermittent Response Pay.
  - **Group A:** Employees were categorized as Group A if every hour worked was recorded as either Response or Quarantine Pay.
  - **Group B:** Employees were categorized as Group B if not every hour worked was recorded as Response or Quarantine Pay.

- Employee payments were calculated in the following manner:
  - **Group A:** Every work hour recorded from September 9, 2020 - April 6, 2021 that was not recorded as Quarantine Pay received \$3.13 per hour for Response Pay.
  - **Group B:** Employees received an average Response Pay per period applied to the pay periods they remained in an eligible position from September 9, 2020 - April 6, 2021.
- Employees who were hired or transferred positions from September 9, 2020 - April 6, 2021, received the average Response Pay earned by employees in comparable job codes and supervisory organizations, as these employees did not have actual Response Pay experience to draw from.

**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. Maryland intends to provide quarantine pay through December 31, 2021.

#### *Primary Delivery Mechanisms and Partners*

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.

#### *Intended Outcomes*

- Recognition of workers performing essential work during the COVID-19 public health emergency.
- Retention of State employees performing these essential functions.

#### *Use of Evidence*

Consistent with the Interim Final Rule for Coronavirus State and Local Fiscal Recovery Funds published by the US Department of Treasury, “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.”

#### *Community Engagement*

N/A

#### *Performance Metrics and Financial Reporting*

- Number of employees compensated
- Job classifications compensated
- Average compensation per job classification
- For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, for whom premium pay would increase total pay above 150 percent of their residing State's average annual wage, or their residing county's average annual wage, whichever is higher, on an annual basis: A brief written narrative justification of how the premium pay or grant is responsive to workers performing essential work during the public health emergency.

## 5A - Broadband Infrastructure

2J - EC 5.16 and 5.17 "Last Mile" Projects and Broadband Programmatic Support  
\$213,975,321

[Website](#): Office of Statewide Broadband

### Summary:

The Office of Statewide Broadband (OSB), housed within the Department of Housing and Community Development (DHCD), will manage the following broadband projects:

- **Network Infrastructure:** Support broadband infrastructure and deployment to unserved households (\$127,600,000).
- **Legislative Initiative:** Provide grants and loans to local governments and private providers for improvements to broadband internet access (\$15,180,000).
- **Municipal Broadband:** Support municipal broadband access in the State (\$45,000,000).
- **Statewide Grants:** The Office of the Secretary, Department of Housing and Community Development, shall provide grants for rural broadband programs (\$2,000,000).
- **Support Positions:** Provide new permanent and contractual positions to assist with broadband projects (\$475,321).
- **Unallocated:** Support rural broadband and digital connectedness (\$23,720,000).

### Timeline:

- **Network Infrastructure:** This project has already begun, and \$30 million in grants were awarded in Spring 2021. Remaining grants will be awarded in Fall 2021.
- **Legislative Initiative:** This project is slated for Fall 2021.
- **Municipal Broadband:** This project is slated for Spring 2022.
- **Statewide Grants:** Three project funding awards have been made. Projects were selected based on location and the ability to be completed by June 30, 2021.
- **Support Positions:** Recruiting and hiring will take place in July and August 2021.
- **Unallocated:** This project is slated for Spring 2022.

### Full Project Description:

#### *Overview*

- **Network Infrastructure:** Utilizing existing programs modified to reflect federal guidelines, DHCD is providing funding to internet service providers to expand broadband infrastructure into unserved areas.
- **Legislative Initiative:** These funds will be used for DHCD's existing capital grant program, which provides expansion grants to local jurisdictions to provide service to unserved pockets of homes.

- **Municipal Broadband:** DHCD will provide grants to local jurisdictions that will increase access to reliable broadband within their jurisdiction.
- **Statewide Grants:** 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. The remaining funds will be used to replace FY 2020 funding awarded to the Maryland Broadband Cooperative. The FY 2020 funds will be used for future projects.
- **Support Positions:** New positions in the Office of Statewide Broadband will implement new program funding.
- **Unallocated:** These funds may be used to further infrastructure construction statewide, to assist with construction on long driveways, or to subsidize costs for those households that cannot receive service through DHCD's standard programs (i.e. for Starlink equipment).

#### *Primary Delivery Mechanisms and Partners*

- **Network Infrastructure:** 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.
- **Municipal Broadband:** DHCD will provide grants to local jurisdictions.
- **Statewide Grants:** DHCD provided funds to three grantees who play key roles in statewide broadband.
- **Support Positions:** N/A
- **Unallocated:** TBD

#### *Intended Outcomes*

- **Network Infrastructure:** Increase the number of households and businesses with broadband availability.
- **Legislative Initiative:** Expand broadband infrastructure into neighborhoods that lack service.
- **Municipal Broadband:** Increase access to reliable broadband where it does not currently exist.
- **Statewide Grants:** Provide grants to expand broadband access.
- **Support Positions:** Enable proper rollout and management of programs and projects.
- **Unallocated:** Increase the number of households with broadband service available.

#### *Use of Evidence*

- **Network Infrastructure:** 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).

- **Legislative Initiative:** N/A
- **Municipal Broadband:** Many Maryland counties, cities, and regions have expressed interest or already initiated municipal broadband activities. Accelerating this process with up to 18 challenge grants of \$2.5 million (18 x 2.5 million = \$45 million) would support the development of additional networks as well as the expansion of existing ones.
- **Statewide Grants:** N/A
- **Support Positions:** N/A
- **Unallocated:** N/A

#### *Community Engagement*

- **Network Infrastructure:** Work with local jurisdictions and internet service providers to identify project areas and develop projects for funding.
- **Legislative Initiative:** DHCD will develop partnerships with local jurisdictions and internet service providers to enable service expansion.
- **Municipal Broadband:** DHCD will work directly with local jurisdictions to determine community needs and project locations.
- **Statewide Grants:** N/A
- **Support Positions:** N/A
- **Unallocated:** DHCD will develop partnerships with local jurisdictions interested in expanding broadband availability to their residents.

#### *Performance Metrics and Financial Reporting*

- **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
- **Municipal Broadband:**
  - Recipients (municipalities) and funding by zip code/census tract

- **Statewide Grants:** N/A
- **Support Positions:**
  - Programs rolled out on time
  - Projects funded and completed
- **Unallocated:** TBD

## 6A - Revenue Relief - Government Operations

6A - EC 6.1      **Support the Housing Counseling Fund and Employee Telework**  
\$11,100,000

Website: N/A

Summary: To offset a revenue shortfall in the Maryland Housing Counseling Fund (**MHCF**) (\$1.1 million).

To meet Information Technology (**IT**) needs and to make other improvements to promote teleworking in the State workforce (\$10 million).

Timeline:

*MHCF:* N/A

*IT:* TBD

Full Project Description:

### *Overview*

- *MHCF:* The Maryland Office of Administrative Hearings (OAH) conducts administrative hearings on behalf of State and other government agencies. As provided by law, persons adversely affected by agency actions or proposed actions are entitled to an administrative hearing. The hearings are conducted by Administrative Law Judges who adjudicate questions of fact and law. Each fiscal year, OAH charges state agencies a predetermined fee based on the number of hearings that were conducted in relation to that 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). Because this revenue is collected via various foreclosure-related filing fees, the State's ongoing foreclosure moratorium throughout the COVID-19 pandemic has caused a significant revenue shortfall. This \$1.1 million funding will be used to offset the shortfall in FY 2021.
- *IT:* The State plans to use \$10 million in ARPA funds to make technological improvements to encourage teleworking among state employees. Of this allocation, \$3.5 million is for laptops, \$1 million is for a VPN pilot program, and \$500,000 is for teleconferencing equipment. Plans for the remaining \$5 million are still in development.

### *Primary Delivery Mechanisms and Partners*

- *MHCF:* DHCD will pay OAH the \$1.1 million fee.
- *IT:* The Department of Information Technology (DoIT) will administer this project.

### *Intended Outcomes*

- *MHCF:* To offset a revenue shortfall caused by the COVID-19 pandemic.
- *IT:* To meet IT needs and to make other improvements to promote teleworking in the State workforce.

### *Use of Evidence*

N/A

### *Community Engagement*

N/A

### *Performance Metrics and Financial Reporting*

TBD



## **6B - Revenue Relief - Transportation Operations and Infrastructure**

6B - EC 6.1      **Budget Relief for the Maryland Department of Transportation**  
\$537,000,000

Website: N/A

### Summary:

Provide budget relief to the Maryland Department of Transportation's (MDOT) Maryland Transit Administration (MTA) and the State Highway Administration (SHA) in fiscal year 2021 and to MDOT in future years..

### Timeline:

MTA and SHA, under the Recovery Now Act, received \$10 million each in operating budget relief in late fiscal 2021.

Maryland intends to provide relief to MDOT in an amount equal to estimated revenue lost due to COVID-19. TBD on timing.

### Full Project Description

#### *Overview*

#### Recovery Now - MTA and SHA

The 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 the Baltimore Metro, light rail, bus (local and commuter), and commuter rail. Pandemic related closures have impacted MTA's operations and budget. The commuter rail, Maryland Area Regional Commuter (MARC) Train, and commuter bus service experienced the deepest reduction in ridership during the pandemic, with average declines relative to the same period a year prior of 92% and 90%, respectively. A decline in ridership directly translates to a decline in revenues. MTA's operating revenues in fiscal 2022 are forecast to be nearly 68% lower (-\$104 million) than the level assumed in the pre-pandemic forecast published in January 2020. State Fiscal Relief Funds provided relief from lower revenue, particularly in bus operations for state fiscal year 2021.

The State Highway Administration (SHA) is responsible for building and maintaining Maryland's highways and bridges outside of Baltimore City. SHA also oversees operation of traffic and roadway monitoring and management, incident management, traveler information, and snow removal. As with MTA, the overall decline in revenue to the Transportation Trust Fund (TTF) hinders SHA's ability to carry out its mission. SHA reduced its state fiscal year 2021 budget by \$240 million to align with revised revenue projections. State Fiscal Relief Funds provided relief from lower revenue collections in order to carry out maintenance on the state's highway system for fiscal 2021.

#### Additional Revenue Relief to MDOT

The COVID-19 pandemic has had a widespread impact on the transportation sector and on MDOT revenues, services, and budget. Revenues and spending for the five-year period between state fiscal years 2021 through 2025 were estimated as \$1.6 billion lower in the current forecast compared to what was included in the January 2020 pre-COVID-19 forecast.

#### *Primary Delivery Mechanisms and Partners*

N/A

*Intended Outcomes*

N/A

*Use of Evidence*

N/A

*Community Engagement*

N/A

*Performance Metrics and Financial Reporting*

N/A

## 7A - Disparity Grants

7A - EC 7.3     **Support for Low-Wealth Jurisdictions**  
\$5,000,000

Website: N/A

### Summary:

Increase the disparity grant allocation to certain jurisdictions as defined in the Recovery Now Act.

### Timeline:

Disbursements to the jurisdictions were made in March 2021.

### Full Project Description

#### *Overview*

The Disparity Grant Program provides noncategorical State aid to low-wealth jurisdictions to use by the 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. State Fiscal Relief Funds were used to provide additional grants to three jurisdictions to mitigate the impacts of the COVID-19 pandemic.

#### *Primary Delivery Mechanisms and Partners*

The funding was transferred from the Department of Budget and Management to the three jurisdictions.

#### *Intended Outcomes*

Mitigate the impact of the COVID-19 pandemic on local jurisdiction's ability to raise revenue.

#### *Use of Evidence*

N/A

#### *Community Engagement*

N/A

#### *Performance Metrics and Financial Reporting*

\$3,498,738 to Prince George's County

\$360,034 to Dorchester County

\$1,141,228 to Wicomico County

## VI. Performance Report

The State of Maryland currently plans to report output and outcome performance metrics by larger categorical groupings compared to the project inventories listed in Section V, as key outcomes often tie to performance of multiple projects. The breakdown of performance reporting categories is as follows:

- Public Health Provider Relief and Enhancing Public Health
- Business Assistance
- Community and Public Benefits
- Housing and Utility Relief
- Non-Profit Assistance
- Job Training
- Broadband Services and Infrastructure
- Unemployment Insurance Payments
- Learning Loss for K-12 and Juvenile Services Students
- Premium Pay

A large portion of ARPA funding allocated to the State of Maryland is being distributed to lower levels of government, and some funding was distributed in April and May 2021 prior to the State receiving guidance regarding required performance metrics. As a result, some metrics were not included in MOU language between the State and funding recipients. This lack of a formal performance data collection framework can be mitigated over the next award period, where State agencies managing these agreements can request that grantees report more uniform performance data.

Additionally, State agencies will better establish SMART (specific, measurable, attainable, relevant and time-bound) overarching goals and objectives for metrics over the next award period. If a program has not yet been fully established during this initial award period (for example, the Health Equity Resources Communities awards), the associated performance metrics will not be included in this report and will be added in the 2022 report.

Because programs funded with ARPA have not yet been fully implemented, this report does not include data for the performance metrics listed. Output and outcome data will be included in the 2022 report.

### i. Public Health Provider Relief and Enhancing Public Health

Project Inventory Designations: 1A, 1B, 1C

Metric Name	Metric Type	Metric Goal	Reporting Frequency
Medicaid enrollees provided care in nursing homes	Output	Continuity of care	One-time
Number of operating nursing homes, current and pre-pandemic	Output	Continuity of care	One-time
Scores in Maryland's Medical Care Programs Pay for Performance (P4P) program for eligible nursing home providers, a composite score based on 1) staffing levels, 2) staffing stability, 3) staff immunizations, 4) family satisfaction, and 5) minimum data set clinical quality indicators.	Outcome	Stable or improved scores	Annual
Number of providers provided financial aid, with names and locations (including local health departments, nursing homes, substance use treatment providers, developmental disabilities providers, and mobile crisis and stand-alone crisis services providers)	Output	Continuity of care	One-time
Number of behavioral health patients served	Output	Increased availability of care to address increased demand	Annual

Number of full-time equivalent (FTE) positions supported with ARPA funds by program area (Local Health Department awards)	Output	Increased programming and access to care	Annual
Number of persons served by funded activity/program area (with breakdown by age), number of services provided with funding from the program area, and number of patient visits by program area (Local Health Department awards)	Output	Increased programming and access to care	Annual
Number of health providers operating, by category, pre-pandemic vs. the award period	Outcome	Stable or increased number of providers	Annual
Maryland cancer and heart disease mortality rates per 100,000 population estimate	Outcome	Decrease	Annual
Infant mortality rate for all races and African-Americans, and percent births with first trimester care	Outcome	Decrease in mortality rate, increase in first trimester care	Annual
Total school indoor health improvement projects and project costs, with breakdown of schools and locations of schools	Output	Increase	Annual
Total school populations served by indoor health improvement projects	Output	Increase	Annual
Maintenance ratings for Maryland school by LEA compared to 2021 baseline	Outcome	Improved ratings	Annual
Four-year high school graduation rate (cohort rate)	Outcome	Increase	Annual

## ii. Business Assistance

Project Inventory Designations: 2A, 2B, 2C, 2D

<b>Metric Name</b>	<b>Metric Type</b>	<b>Metric Goal</b>	<b>Reporting Frequency</b>
Number of businesses provided financial relief grants, including name, industry, award amount, location, FEIN, zip code, demographic information	Output	Address diversity of funding needs	One-time
Breakdown of use of grants (i.e. salary expenses, marketing, infrastructure improvements, on-line sales websites created, etc.)	Output	Address diversity of funding needs	One-time
Number of employees supported with private sector telework grants	Output	Increase	One-time
Ratio between Maryland's unemployment rate and the U.S. rate	Outcome	Decrease	Annual
Maryland's growth in total real gross domestic product	Outcome	Increase	Annual
Total State sales tax revenue attributable to tourism	Outcome	Stabilize	Annual

### iii. Community and Public Benefits

Project Inventory Designation: 2E

Metric Name	Metric Type	Metric Goal	Reporting Frequency
Cash Transfer recipients and funding by zip code and type (TCA, TDAP, disability, etc.)	Output	Provide one-time relief to cash transfer recipients	One-time
Number of inmates supported in early release home detention	Output	Increase home detention	One-time
Maryland prevalence of household level very low food security (3 year average) - USDA metric	Outcome	Decrease	Annual
Percent of related children and youth under age 18 whose families have incomes below the poverty level (estimated) - U.S. Census metric	Outcome	Decrease	Annual

### iv. Housing and Utility Relief

Project Inventory Designations: 2F, 2G

Metric Name*	Metric Type	Metric Goal	Reporting Frequency
Housing grant allocations by county and number of people served	Output	Meet emergency housing needs	One-time
<i>Number of people or households receiving eviction prevention services (including legal representation)</i>	Output	Meet emergency needs and provide on-going support	Annual
<i>Number of affordable housing units preserved or developed</i>	Outcome	Increase	Annual
Grants to utilities, number of customers provided relief, average amount of relief per customer	Output	Reduce or eradicate utility debt	One-time
Total change in statewide utility arrearage balances	Outcome	Decrease	Annual
Total customers served by limited income mechanism	Output	Increase	Annual
Total reduction in energy expenses for customers using the mechanism	Outcome	Increase	Annual
Successful completion of payment plans	Output	Increase	Annual
Total of uncollectible costs	Output	Decrease	Annual

\*Mandatory Metrics from the Treasury Guidance are italicized.

**v. Non-Profit Assistance**

Project Inventory Designations: 2H

<b>Metric Name</b>	<b>Metric Type</b>	<b>Metric Goal</b>	<b>Reporting Frequency</b>
Arts organization grants by recipient and location	Output	Meet emergency needs	One-time
Food distribution by jurisdiction (county), by pound and by meal equivalent	Output	Meet emergency needs	One-time
Volunteer fire department and rescue squad grants by entity and location	Output	Meet emergency needs	One-time

**vi. Job Training**

Project Inventory Designations: 2I

<b>Metric Name*</b>	<b>Metric Type</b>	<b>Metric Goal</b>	<b>Reporting Frequency</b>
<i>Number of workers enrolled in sectoral job training programs</i>	Output	Increase	Annual
<i>Number of workers completing sectoral job training programs</i>	Output	Increase	Annual
<i>Number of people participating in summer youth employment programs</i>	Output	Increase	Annual
Local workforce development board (LWDB) clients served and clients completing training	Output	Meet needs	Annual
Number of LWDB clients placed in unsubsidized employment	Outcome	Increase	Annual
Number of LWDB clients placed in subsidized employment	Outcome	Increase	Annual
Direct aid provided to students in community college training programs and number of students served	Output	Meet needs	Annual
Employment rates of community college training program completers	Outcome	Increase	Annual
Ratio between Maryland's unemployment rate and the U.S. rate	Outcome	Decrease	Annual

\*Mandatory Metrics from the Treasury Guidance are italicized.

**vii. Broadband Services and Infrastructure**

Project Inventory Designations: 2J, 5A

<b>Metric Name*</b>	<b>Metric Type</b>	<b>Metric Goal</b>	<b>Reporting Frequency</b>
Recipients (households) and funding by zip code for each program (device subsidies, service fee subsidies, etc.) with demographic information	Output	Increase broadband connection through services	Annual

Recipients (nonprofits and providers) and funding by zip code for each program (Digital Navigators, Gap Networks, Digital Inclusion Fund, etc.) with reports from each grantee about households served	Output	Increase broadband connection through services	Annual
<i>List of funded infrastructure projects with the following information for each project: projected/actual construction start date (month/year), projected/actual initiation of operations date (month/year), location (for broadband, geospatial location data), speeds/pricing tiers to be offered, including the speed/pricing of its affordability offering, technology to be deployed, miles of fiber, cost per mile, cost per passing</i>	Output/ Efficiency (for cost metrics)	Increase broadband networks through infrastructure investments	Annual
<i>Number of households (broken out by households on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload; number of households with access to minimum speed standard of reliable 100 Mbps symmetrical upload and download; and number of households with access to minimum speed standard of reliable 100 Mbps download and 20 Mbps upload</i>	Outcome	Increase from 2021 baseline	Annual
<i>Number of institutions and businesses (broken out by institutions on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload, in each of the following categories: business, small business, elementary school, secondary school, higher education institution, library, healthcare facility, and public safety organization; specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps symmetrical upload and download; and specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps download and 20 Mbps upload</i>	Outcome	Increase from 2021 baseline	Annual

\*Mandatory Metrics from the Treasury Guidance are italicized.

### viii. Unemployment Insurance Payments

Project Inventory Designations: 2K, 2L

<b>Metric Name</b>	<b>Metric Type</b>	<b>Metric Goal</b>	<b>Reporting Frequency</b>
Number of recipients of pending unemployment insurance claims by zip code	Output	Meet emergency need	One-time
Ratio of Unemployment Trust Fund balance prior to the pandemic (January 2020) to current balance	Outcome	Restore to 100% of the pre-pandemic UI Trust Fund Balance	Annual



**ix. Learning Loss for K-12 and Juvenile Services Students**

Project Inventory Designations: 3A, 3B

<b>Metric Name*</b>	<b>Metric Type</b>	<b>Metric Goal</b>	<b>Reporting Frequency</b>
Number of students each county board served through the program by grade and the subject areas in which tutoring was provided, and number of students served in Juvenile Services program ( <i>Number of students participating in evidence-based tutoring programs</i> )	Output	Increased access to and utilization of tutoring services	Annual
Methods used by county boards to identify students for tutoring	Output	Reach disadvantaged students	Annual
The models of tutoring provided to students, including pupil-to-tutor ratio or group size, the frequency of sessions, the amount of time per session, and the number of sessions	Quality	Smaller pupil-to-tutor ratios and increased frequency of sessions	Annual
Data on student outcomes, disaggregated by the type of model used to provide the tutoring and by race, ethnicity, gender, disability status, English language learner status, and socioeconomic status - exact metrics for student outcomes still under consideration	Outcome	Improvement in test scores and graduation rates	Annual
Library supplies provided for juvenile services students	Output	Meet technology needs of students	One-time

\*Mandatory Metrics from the Treasury Guidance are italicized.

**x. Premium Pay**

Project Inventory Designations: 4A

<b>Metric Name</b>	<b>Metric Type</b>	<b>Metric Goal</b>	<b>Reporting Frequency</b>
Number of State employees compensated, number of hours compensated, and amount of compensation per job classification	Output	Meet emergency need	One-time
Job classifications eligible for response pay and quarantine pay	Output	Meet emergency need	One-time

**VII. Ineligible Activities: Tax Offset Provision**

**i. Impact of Covered Charges**

Maryland has provided information that shows under the de minimis provision, it has met the requirements of the American Rescue Plan (ARP) that no federal funding is used to pay for a tax reduction.

Estimated Impact of Covered Changes Under the Coronavirus State and Local Fiscal Recovery Funds Regulations (\$ Thousands) <sup>1</sup>										
Changes to Maryland Law Impacting State Tax Revenue	Enacted	In Covered Period	Description	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
HB 732	02/12/2021	FALSE	Taxation - Tobacco Tax (Veto Override)	-	100,100	92,200	88,100	84,200	80,500	NA
SB 496 (Relief Act)	02/15/2021	FALSE	Sales Tax Vendor Discount	-	(185,832)	-	-	-	-	-
SB 496 (Relief Act)	02/15/2021	FALSE	Unemployment Tax Exemption	-	(184,600)	(48,100)	-	-	-	-
SB 496 (Relief Act)	02/15/2021	FALSE	Refundable Earned Income Tax Credit	-	(132,400)	(133,987)	(135,574)	-	-	-
SB 496 (Relief Act)	02/15/2021	FALSE	Earned Income Tax Credit Expansion	-	(26,100)	(26,413)	(26,726)	-	-	-
SB 496 (Relief Act)	02/15/2021	FALSE	Coronavirus Relief Payments Exemption	-	(35,900)	(35,900)	-	-	-	-
SB 218	03/05/2021	TRUE	Child/Earned Income Tax Credit Expansion	-	(65,300)	(67,400)	(69,400)	-	-	-
HB 1252/SB 102	05/18/2021	TRUE	Income Tax - Credits for Preceptors	-	-	(50)	(81)	(81)	(81)	(81)
HB 337/SB 257	05/18/2021	TRUE	Sales and Use Tax – Job Training Credits	-	-	(100)	(100)	(100)	(100)	(100)
HB 647	05/18/2021	TRUE	Corporations and Associations - Repeal of Fees	-	-	(879)	(879)	(879)	(879)	(879)
HB 711/SB 622	05/18/2021	TRUE	Income Tax – Donations to Diaper Banks	-	-	(50)	(50)	(50)	-	-
HB 865/SB 659	05/18/2021	TRUE	Historic Revitalization Tax Credit	-	-	(300)	(700)	-	-	-
SB 186	05/18/2021	TRUE	Job Creation Tax Credit - Hiring Veterans	-	-	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
SB 885	05/18/2021	TRUE	Catalytic Revitalization Tax Credits	-	-	(3,000)	(3,000)	(6,000)	(6,000)	(6,000)
HB 1178	05/30/2021	TRUE	Income Tax - First-Time Homebuyer Savings Accts.	-	-	(224)	(514)	(794)	(1,094)	(1,436)
HB 539/SB 447	05/30/2021	TRUE	Historic Revitalization Tax Credit	-	-	(35)	(70)	(70)	(35)	-
<b>Total Covered Change Impact</b>				-	(65,300)	(76,038)	(78,794)	(11,974)	(12,189)	(12,496)
<b>Tax Year Conversion</b>				<b>Tax Year 2020</b>	<b>Tax Year 2021</b>	<b>Tax Year 2022</b>	<b>Tax Year 2023</b>	<b>Tax Year 2024</b>	<b>Tax Year 2025</b>	<b>Tax Year 2026</b>
<b>Total Covered Change Impact on Tax Revenue</b>				(32,650)	(70,669)	(77,416)	(45,384)	(12,082)	(12,343)	(6,248)
Implicit Price Deflator Adjustment <sup>2</sup>	<b>Fiscal Year 2019 Base</b>			4.32%	NA	NA	NA	NA	NA	NA
Adjusted Tax Revenue Baseline <sup>3</sup>	<b>19,227,329</b>			20,058,336	NA	NA	NA	NA	NA	NA
De Minimis Difference				(200,583)	NA	NA	NA	NA	NA	NA
				167,933	NA	NA	NA	NA	NA	NA

Notes:

1. Tax Revenue in this table is defined as all revenue generated by the following tax types in Maryland: Individual & Corporate Income Tax, Sales and Use Tax, Franchise Tax, Insurance Premium Tax, Estate & Inheritance Tax, Tobacco Taxes, Alcohol Taxes, Clerks of Court Revenue, Fuel Taxes, and Titling Taxes.
2. The Implicit Price Deflator Adjustment is created using the U.S. Bureau of Economic Analysis' inflation series of the same name. The percentage growth is determined between the end of Q2 2019 and the end of the applicable reporting year as defined by the U.S. Treasury's Rules and Regulations 31 CFR Part 35.
3. Adjusted Tax Revenue Baseline uses tax revenue from fiscal year 2019 as the base. The base is then adjusted based on the Implicit Price Deflator Adjustment.