



DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

*Kenneth C. Holt, Secretary
Owen McEvoy, Deputy Secretary*

December 16, 2021

Maryland Broadband Investment Advisory Workgroup



Welcome and Member Introductions

- ▶ Secretary Kenneth C. Holt, DHCD – Workgroup Chair
- ▶ Secretary David Brinkley, DBM
- ▶ Secretary Mike Leahy, DoIT
- ▶ Mr. Sean Powell, MDOT
- ▶ Senator Stephen Hershey, Jr., District 36
- ▶ Senator Sarah Elfreth, District 30
- ▶ Delegate Brian Crosby, District 29B
- ▶ Delegate Johnny Mautz, District 37B
- ▶ Honorable Thomasina Coates, M.S., Charles County
- ▶ Honorable Craig Rice, Montgomery County
- ▶ Honorable George Pfeffer, Jr., Dorchester County
- ▶ Mr. Robert O’Conner, CTO, Baltimore County
- ▶ Councilmember Henri Gardner, City of Bowie
- ▶ Mr. Scott Nicewarner, Administrator, City of Hagerstown

Workgroup Purpose

- ▶ Workgroup will advise on DHCD's Office of Statewide Broadband's proposed framework for allocating and administering the State's Broadband Funding - \$400 million
- ▶ **TIMELINE**
 - Meeting 1 – December 16, 2021: Workgroup Convenes, discuss OSB Overview
 - Meeting 2 – Discuss OSB Program Framework, February 2022
 - Meeting 3 – Review Final OSB Program Framework and Program Funding, April 2022

Governor's Office of Rural Broadband

- ▶ Established by Executive Order in 2017
 - Director hired in 2018, initial FY19 funding \$2 million
- ▶ Identified a \$100 million cost for service to unserved rural households, requested \$50 million over a 5 year period to assist with broadband expansion.
 - FY20 \$11.8 million in capital and operational funding
 - FY21 \$11.2 million in capital and operational funding, increased to \$32.7 million
- ▶ The Office worked closely with local jurisdictions to determine unserved areas and determine need.

Program Expansion: Office of Statewide Broadband

- ▶ The Office of Statewide Broadband (OSB) was established by SB66, Digital Connectivity Act of 2021 signed into law (CH74) by the Governor in April 2021
 - The Office has been housed at DHCD
- ▶ Three state funds established for OSB
 - Digital Inclusion Fund
 - Digital Connectivity Fund
 - Rural Broadband Assistance Fund (relocated from Dept. of Commerce)

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▶ SB66 Responsibilities and Definitions:

➤ Construction and Access to Infrastructure

- Ensure that all households have physical access to broadband infrastructure for service

➤ Equity

- Ensure that everyone has the financial resources, equipment, and digital skills needed to get online

➤ Inclusion

- Ensure that the benefits of the internet and digital technologies are available to everyone

Funding from American Rescue Program Act (ARPA)

▶ Funding from ARPA

- Governor and General Assembly agree to commit \$300 million from ARPA - April 2021
- Governor increases commitment to \$400 million supported by a combination of funding from the ARPA State Fiscal Relief Fund and the Capital Projects Fund – August 2021

▶ ARPA program rules

- US Treasury is responsible for the program and its rules
- Unserved household: one that cannot obtain service of at least 25 Megabits per second (Mbps) download or 3 Mbps upload
 - Funding can only be provided for locations that meet this requirement
- Funded service: must be capable of 100 Mbps download and 100 Mbps upload or better
 - Funded service capability can be reduced to 100 Mbps download and 20 Mbps upload under certain circumstances
- Funding encumbrance: by December 2023 and spent by December 2026

Total Broadband Funding

State and CARES Funding - Capital and Operating	
FY19	\$2,000,000
FY20	\$9,180,000
FY21	\$2,700,000
Total Budget	\$13,880,000

ARPA Funding	
Service Fee Subsidy	\$45,000,000
Device Subsidy	\$30,000,000
Digital Inclusion Fund	\$2,000,000
Gap Networks	\$5,000,000
Network Infrastructure	\$97,600,000
Digital Connectiveness	\$23,720,000
LGIF	\$15,180,000
LGIF FY21	\$30,000,000
Municipal Broadband	\$45,000,000
Additonal Funding	\$100,000,000
OSB Program Subtotal	\$393,500,000
Digital Literacy Program *	\$4,000,000
Digital Navigators *	\$2,000,000
Total Budget	\$399,500,000

* Budgeted to UM Extention

County Funding to Date

County	DHCD Funding	Non-DHCD Funding	County Total
Allegany	4,277,647	2,647,347	6,924,994
Anne Arundel			
Baltimore	2,325,836	1,536,400	3,862,236
Calvert	2,332,368	1,570,912	3,903,280
Caroline	2,637,600	2304146	4,941,746
Carroll	680,488	473,659	1,154,147
Cecil	1,269,672	817,702	2,087,374
Charles	3,152,056	3,395,614	6,547,670
Dorchester	2,394,695	388,437	2,783,132
Frederick	262,012	194,437	456,449
Garrett	3,648,589	2,146,641	5,795,230
Harford	844,426	570,563	1,414,989

County	DHCD Funding	Non-DHCD Funding	County Total
Howard			
Kent	2,337,892	2,526,633	4,864,525
Montgomery			
Prince George's			
Queen Anne's	3,191,549	2,196,068	5,387,617
St. Mary's	532,838	452,838	985,676
Somerset	3,888,705	2,428,841	6,317,546
Talbot	2,913,771	19,337,476	22,251,247
Washington	283,731	68,498	352,229
Wicomico	1,387,226		1,387,226
Worcester	3,692,750	2,460,000	6,152,750
FY19 - FY21 Total Funding	\$42,053,851	\$45,516,212	\$87,570,063

OSB: Program Descriptions

Program:	Neighborhood Connect	Connect MD: Network Infrastructure
Applicant:	<ul style="list-style-type: none">– Local Jurisdiction w/ISP partner	<ul style="list-style-type: none">– Internet Service Provider (ISP)
Available Funding:	<ul style="list-style-type: none">– \$13MM	<ul style="list-style-type: none">– \$97MM
Grant Amount:	<ul style="list-style-type: none">– \$50,000 to \$500,000	<ul style="list-style-type: none">– \$1MM to \$10MM
Required Match:	<ul style="list-style-type: none">– 10%, 20%, 30% of construction cost depending on density of service area	<ul style="list-style-type: none">– 10%, 20%, 30% of construction cost depending on density of service area
Grant Awards:	<ul style="list-style-type: none">– April 2022	<ul style="list-style-type: none">– April 2022
Award Method:	<ul style="list-style-type: none">– Competitive Scoring	<ul style="list-style-type: none">– Competitive Scoring

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▶ Maryland Emergency Broadband Benefit Program (MEBB)

- Provides a service subsidy of up to \$15 per month to eligible low and moderate income households, developed for Equity and Inclusion efforts
- Utilizes the Federal Emergency Broadband Benefit (EBB) Program for eligibility and enrollment
If a household is enrolled in EBB, they automatically are eligible for MEBB
- Program slated to run through August 2022, may be extended depending funds remaining



OSB: New Programs Coming

Maryland Device Subsidy Program - \$30 Million

- Will provide up to a \$200 subsidy for the purchase of a computer for low/moderate income households
- Under development – rollout expected in 1st quarter 2022

Digital Inclusion Program (funds in Digital Inclusion Fund) – \$2 million

- Will provide grant to non-profits providing digital inclusion and digital skills programs
- Rollout expected in 1st quarter 2022

Gap Networks Program - \$5 Million

- Will provide grants to non-profits delivering free internet service to households
- Rollout expected in 1st quarter 2022

Municipal Broadband - \$45 Million

- Will provide grants to local jurisdictions to retrofit public housing for broadband distribution
- rollout expected in 2nd quarter 2022

Digital Connectedness - \$23.72 Million

- Will provide grants to local jurisdictions to help offset costs associated with difficult to connect homes
- rollout expected in 2nd quarter 2022



WRAP UP:
Discussion
Tasks/Goals for Next Meeting