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House Bill 1425

Date: March 15, 2022
Committee: House Appropriations
Bill Title: Infrastructure Grants – Federal Infrastructure Investment and Coordination Unit -
Established
Re: Letter of Information

The Governor's Grants Office (GCO) respectfully submits this letter of information for House Bill 1425 (SB 755). This legislation establishes the Federal Infrastructure Investment and Coordination Unit in the Governor's Grants Office (GGO) for the purpose of tracking federal infrastructure grants and assisting state agencies in the award of the grants under the federal Infrastructure Investment and Jobs Act of 2021.

In November 2021, the Infrastructure Investment and Jobs Act also known as the Bi-Partisan Infrastructure Law (BIL) was signed into law by President Biden. The newly signed law provides \$1.2 trillion over five federal fiscal years to states across the country through formula funded grants and discretionary (competitive) grants. Although the new law contains 375 unique programs, many of the programs within the new law have existed before the passage of the BIL, with only approximately 125 programs (~25%) considered 'new programs.' As a result, many of the programs within the BIL have previously been administered through various Maryland State Agencies, providing a groundwork for the management of BIL funds.

In January 2022, to coordinate the efforts of the various state agencies with oversight of the BIL funding, Governor Hogan signed [Executive Order 01.01.2022.01](#) establishing the Governor's Subcabinet on Infrastructure. The Governor's Subcabinet on Infrastructure provides a strong framework for state agency collaboration to ensure maximum impact of BIL funds, while leveraging the well-established programs that currently exist within state agencies. In addition to appointing an infrastructure director to centralize and coordinate BIL related efforts, Executive Order 01.01.2022.01 brings together various stakeholders such as:

- The Secretary of the Department of Budget and Management;

- The Secretary of the Department of Transportation;
- The Secretary of the Department of Commerce;
- The Secretary of the Department of Housing and Community Development;
- The Secretary of the Department of the Environment;
- The Secretary of the Department of Information Technology;
- The Director of the Maryland Energy Administration;
- The Director of the Maryland Environmental Service; and,
- The Governor's federal and intergovernmental affairs offices.

Therefore, the functions and duties outlined for the GGO in HB 1425 are duplicative of those currently performed by the Subcabinet on Infrastructure.

Additionally, with the streamlined, efficient and effective process provided through the establishment of the Subcabinet, the GGO has continued to focus its efforts on continuing to develop resources and tools to maximize availability and accessibility of funding beyond the BIL. Over the last three years, the GGO has spearheaded a \$27M Major IT Development Project to establish and implement the Enterprise Grants Management System (EGMS), which will provide full life-cycle management of Grants across 25 Cabinet level agencies. Although EGMS, once implemented, would provide a valuable tool for agencies in administration of certain BIL grants - a large portion of BIL related funding is tailored to be administered directly by an agency, and would not be within the capacity of a grants management system or the Governor's Grants Office.

Until the completion of the current EGMS, GGO does not have a grant tracking mechanism in place and does not currently have the resources to leverage for successful application, tracking, and management of these federal funds.

The Governor's Grants Office appreciates the opportunity to provide the aforementioned information to the committee for consideration during your deliberations.