



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

May 4, 2020

Dear County Leaders,

Thank you for your letter of May 1 requesting a distribution of funds from the Coronavirus Relief Fund established under the CARES Act. The Department of Budget and Management (DBM) is in agreement with the solution proposed in your letter.

As discussed, DBM will make half the funding available after the county submits the county's spending plan (many have been received; thank you!), AND a signed grant agreement between the State and county that indemnifies the State by withholding income tax receipts in the event the county spends funds outside of the parameters of the federal legislation.

We understand the counties are preparing a draft for an agreement, which will be reviewed with State's counsel.

DBM will continue the reimbursement model for the health portion of the funding until such time that a county requires additional funding. At that time, the county MAY request the remainder of the funding, which could be distributed as a direct grant, under the same conditions discussed above.

Please feel free to contact me if you have any questions.

Sincerely

A handwritten signature in black ink that reads "David R. Brinkley".

David Brinkley
Secretary

cc: Michael Sanderson, Executive Director, Maryland Association of Counties
Scott A. Hancock, Executive Director, Maryland Municipal League