



**Cover Sheet for In-State Institutions  
New Program or Substantial Modification to Existing Program**

Institution Submitting Proposal	
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*Each action below requires a separate proposal and cover sheet.*

- |                             |   |
|-----------------------------|---|
| New Academic Program        | Substantial Change to a Degree Program            |
| New Area of Concentration   | Substantial Change to an Area of Concentration    |
| New Degree Level Approval   | Substantial Change to a Certificate Program       |
| New Stand-Alone Certificate | Cooperative Degree Program                        |
| Off Campus Program          | Offer Program at Regional Higher Education Center |

Payment Submitted:	Yes No	Payment Type:	R*STARS # Check #	Payment Amount:	Date Submitted:
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Department Proposing Program			
Degree Level and Degree Type			
Title of Proposed Program			
Total Number of Credits			
Suggested Codes	HEGIS:	CIP:	
Program Modality	On-campus	Distance Education (fully online)	Both
Program Resources	Using Existing Resources	Requiring New Resources	
Projected Implementation Date <small>(must be 60 days from proposal submission as per COMAR 13B.02.03.03)</small>	Fall	Spring	Summer Year:
Provide Link to Most Recent Academic Catalog	URL:		

Preferred Contact for this Proposal	Name:
	Title:
	Phone:
	Email:

President/Chief Executive	Type Name:
	Signature:  Date:

	Date of Approval/Endorsement by Governing Board:
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## MARYLAND HIGHER EDUCATION COMMISSION

### New Stand-Alone Certificate Program

### Manufacturing Technology Certificate

#### A. Centrality to institutional mission statement and planning priorities:

Chesapeake College's core commitment is to empower students from diverse communities to excel in further education, employment, and participation in an interconnected world. Our programs and services are designed with our regional economic development and sustainability in mind.

One goal of the Chesapeake College 2025-2029 Strategic Plan is to “serve as the leading source of high-quality, comprehensive general and technical education in the region, catering to the ever-evolving needs of the workforce”<sup>1</sup>. Manufacturing is currently a noncredit program offering at Chesapeake. This credit Manufacturing Technology Certificate expands access for dual enrollment students and others who may take MFG courses as electives in our Technical and Professional Studies AAS program. This certificate program was also designed with local industry input through our Program Advisory Committee (PAC).

As a current noncredit program offering, equipment has already been acquired through the Rural Maryland Economic Development Fund (see Appendix A) and currently, a federal earmark grant (see Appendix B). There is approximately \$259,974 remaining in grant funds to continue setting up labs and purchasing equipment through the end of 2025. For long-term sustainability of this program, additional resources would include a small operating budget for materials, upkeep, repairs, and salaries for adjunct faculty.

#### B. Critical and compelling regional or statewide need as identified in the State Plan:

The 2022 Maryland State Plan for Higher Education has identified several key priorities. The proposed Manufacturing Technology Certificate directly supports the following priorities under the Student Success goal:

1. Priority 5: *“Maintain the commitment to high-quality postsecondary education in Maryland.”*
2. Priority 7: *“Enhance the ways postsecondary education is a platform for ongoing lifelong learning.”*

Grant funds have made it possible to develop this program with the necessary resources to ensure students are able to work hands-on with relevant industry technology and equipment. Industry professionals in our region have been informally surveyed and/or visited as the non-credit manufacturing program was being developed. Local employers such as PRS Guitars, Dixon Valve, Miltec UV, and Regal Rexnord have voiced a strong need for entry level manufacturing candidates and maintenance mechanics. Not only is the demand growing, but local manufactures have reported a relative dearth of training in our region.

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<sup>1</sup> “Transforming Lives, Empowering Futures” (2025 – 2029) Chesapeake College Strategic Plan.

In the Manufacturing Technology Program, students have the opportunity to earn a micro-credential after each MFG course. At the end of MFG 201, students will take an overarching exam with a hands-on portion to earn their Certified Production Technician credential from Manufacturing Skills and Standards Council. These credentials, along with the program certificate from Chesapeake, will place completers above entry level in the workplace.

**C. Quantifiable & reliable evidence and documentation of market supply and demand in the region and state:**

The proposed Manufacturing Technology Certificate enhances Chesapeake College’s support for the growth of skilled trades within the region. According to the Maryland Long Term Industry Projections<sup>2</sup>, the manufacturing industry is projected to grow almost 7% through 2032. Regionally, manufacturing is expected to grow almost 2%<sup>3</sup>. However, compared on a national level, we have a higher than expected supply.<sup>4</sup>

**Maryland Long Term Industry Projections (2022-2032)**

Sector	Industry Title	Base Employment	Projection Emplo..	Change	Percent Change
Manufacturing	Apparel Manufacturing	1,019	981	-38	-3.8%
	Beverage and Tobacco ..	3,758	4,157	399	10.1%
	Chemical Manufacturing	14,332	16,343	2,011	13.2%
	Computer and Electroni..	22,046	26,772	4,726	19.6%
	Electrical Equipment, A..	1,676	1,624	-52	-3.1%
	Fabricated Metal Produ..	7,861	7,681	-180	-2.3%
	Food Manufacturing	16,488	18,710	2,222	12.7%
	Furniture and Related P..	2,769	2,278	-491	-19.3%
	Leather and Allied Prod..	259	237	-22	-8.8%
	Machinery Manufacturi..	7,334	7,939	605	8.0%
	Manufacturing	118,291	126,581	8,290	6.8%
	Miscellaneous Manufac..	4,908	5,406	498	9.7%
	Nonmetallic Mineral Pr..	3,689	3,810	121	3.2%
	Other than Pharmaceut..	3,989	3,681	-308	-8.0%
	Paper Manufacturing	1,850	1,500	-350	-20.8%
	Petroleum and Coal Pro..	691	663	-28	-4.1%
	Pharmaceutical and Me..	10,341	12,569	2,228	19.7%
	Plastics and Rubber Pro..	6,007	5,950	-57	-1.0%
	Primary Metal Manufac..	825	821	-4	-0.5%
	Printing and Related Su..	6,019	5,016	-1,003	-18.1%
Textile Mills	337	265	-72	-23.7%	
Textile Product Mills	761	750	-11	-1.5%	
Transportation Equipm..	12,534	11,824	-710	-5.8%	
Wood Product Manufac..	3,128	3,854	726	21.1%	

<sup>2</sup> <https://labor.maryland.gov/lmi/iandoproj/industry.shtml>

<sup>3</sup> <https://labor.maryland.gov/lmi/iandoproj/wiasindustry.shtml>

<sup>4</sup>

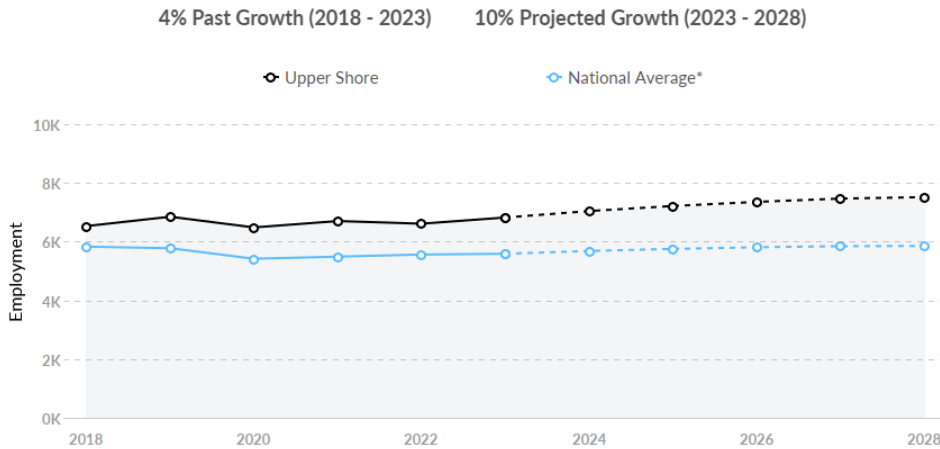
[https://analyst.lightcast.io/analyst/?t=4lPtq#h=5CxBrijb~oli12vpZHPiEoD\\_NgF&page=program\\_market\\_demand&vertical=edo&nation=us](https://analyst.lightcast.io/analyst/?t=4lPtq#h=5CxBrijb~oli12vpZHPiEoD_NgF&page=program_market_demand&vertical=edo&nation=us)

## Upper Shore Industry Projections (2022-2032)

Sector	Industry Title	Base Employment	Projection Employment	Numeric Change	Percent Change
Manufacturing	Beverage and Tobacco Produc.	144	162	18	11.85%
	Chemical Manufacturing	636	693	57	8.62%
	Computer and Electronic Prod.	139	164	25	16.68%
	Electrical Equipment, Applian.	133	117	-16	-12.74%
	Fabricated Metal Product Ma..	867	922	55	6.17%
	Food Manufacturing	1,931	2,023	92	4.67%
	Furniture and Related Produc..	106	98	-8	-7.82%
	Machinery Manufacturing	228	242	14	5.98%
	Manufacturing	6,609	6,727	118	1.77%
	Miscellaneous Manufacturing	558	593	35	6.10%
	Nonmetallic Mineral Product ..	249	271	22	8.50%
	Other than Pharmaceutical, C..	542	565	23	4.16%
	Paper Manufacturing	717	549	-168	-26.34%
	Pharmaceutical and Medicine .	94	128	34	31.36%
	Plastics and Rubber Products .	122	130	8	6.37%
	Printing and Related Support .	144	130	-14	-10.18%
	Transportation Equipment M..	314	298	-16	-5.22%
	Wood Product Manufacturing	235	250	15	6.21%

### Supply Is Higher Than the National Average

The regional vs. national average employment helps you understand if the supply of Manufacturing is a strength or weakness for your area, and how it is changing relative to the nation. An average area of this size would have 5,587\* employees, while there are 6,822 here. This higher than expected supply may make it easier to find candidates. The gap between expected and actual employment is expected to increase over the next 5 years.



\*National average values are derived by taking the national value for Manufacturing and scaling it down to account for the difference in overall workforce size between the nation and your area. In other words, the values represent the national average adjusted for region size.

### D. Reasonableness of program duplication:

There are several manufacturing programs offered both at community colleges and four year institutions in the state of Maryland, but programs and goals are fairly diverse.

Wor Wic and Anne Arundel Community College, our closest community college neighbors, offer two-year degree programs that *relate* to manufacturing, but focus is heavily on

mechatronics and control systems. Chesapeake's proposed Manufacturing Technology Certificate focuses on manufacturing operations of equipment.

Allegany College provides a two-year degree in Automated Manufacturing Technology, which is similar to the content of Chesapeake's proposed program, but is not within our geographical location.

**E. Relevance to high-demand programs at Historically Black Institutions (HBIs)**

The Manufacturing Technology Certificate has no impact, negatively or positively, on programs at HBIs.

**F. Relevance to the identity of Historically Black Institutions (HBIs)**

The Manufacturing Technology Certificate has no impact, negatively or positively, on programs at HBIs.

**G. Adequacy of Curriculum Design, Program Modality, and Related Learning outcomes (as outlined in COMAR 13B.02.03.10):**

The Manufacturing Technology Certificate is designed to prepare students for a career in a manufacturing environment through in-depth and diverse training to include hands-on experience.

The program utilizes a curriculum where manufacturing topics will be introduced and explored through hands-on experience. Topics in required courses will focus on industrial safety, shop math, hand tools, power tools, precision measurement, operation of various industrial equipment, and a comprehensive understanding of the manufacturing process from start to finish. This program will prepare or accelerate a career in manufacturing or prepare students to manufacture their own product for sale.

**Student Learning Outcomes:** Upon successful completion of the program, students will be able to:

- Identify and explain various safety considerations to include first aid, fire safety, electrical hazards, lockout tag out, etc.
- Use basic shop math to convert measurements from fractional to decimal and from imperial to metric
- Choose proper tools and accurately measure within .005"
- Use proper hand tools to create assemblies
- Startup, setup, and machine a 2 axis part in a CNC machine
- Design parts for manufacture that have basic form, fit, and function requirements (tolerance +/- 1/8")
- Safely use power tools to include band saw, grinder, drill, etc.
- Interpret blueprints and/or part drawings
- Explain the manufacturing process from start to finish
- Explain G Code, where it is used, and identify 4-10 basic G Codes and their use
- Explain Cartesian coordinate system among many systems

The proposed certificate in Manufacturing Technology requires the following courses:

Prefix	Number	Course Title	Credits	Semester
MFG	101	Introduction to Manufacturing	3	Fall
CPL	105	Career Plan & Prep	1	Fall
ENG	100	Communication on the Job	3	Fall
MFG	105	Maintenance Awareness	3	Spring
MFG	109	Safety & Quality	3	Spring
MFG	201	Manufacturing Process & Production	3	Spring
<b>Total Credits (highest possible credit count)</b>			<b>16</b>	

## **COURSE DESCRIPTIONS:**

### **MFG 101 Introduction to Manufacturing**

3 credits

Introduces entry level students to the core manufacturing industry related skills. The core competency areas are: (1) math and measurement, (2) manufacturing technology/Industry 4.0, and (3) technical training in several areas including safety, preventative maintenance, shop skills, hydraulics, pneumatics, machining and print reading. [FALL/SPRING] Two hours lecture, two hours lab per week.

### **CPL 105 Career Plan & Preparation**

1 credit

A course designed to teach and improve skills necessary to success in a career field. Topics will include: career exploration/exposure, employability skills/workplace competencies, leadership abilities/workplace initiatives, and other related principles. [FALL/SPRING] One hour lecture per week.

### **ENG 100 Communicating on the Job**

3 credits

Instruction in writing and speaking skills necessary to communicate effectively in work situations. Attention will be given to tone, form, and style appropriate to meet the needs of various audiences and to accomplish different purposes on the job. Effective use of evidence, grammatical correctness, and organization of details will be covered. A research project is required, focusing on issues relevant to the student's specific career program. [FALL/SPRING] Three hours lecture per week.

### **MFG 105 Maintenance Awareness**

3 credits

A course designed to enable the student to gain a basic understanding of tools and equipment used in manufacturing and knowledge of how to improve productivity through predictive and preventative maintenance. Topics to be covered include welding, basic electrical measurement, electrical power, pneumatic power systems, hydraulic power systems, lubrication concepts, bearings and couplings, belt drives, chain drives, machine control concepts, and machine automation. [FALL/SPRING] Two hours lecture, two hours laboratory per week. **Prerequisite:** MFG 101

### **MFG 109 Safety and Quality**

3 credits

A course designed to continue training in manufacturing and further prepare the student to earn their Certified Production Technician credential from Manufacturing Skills and Standards Council. Topics will include safety considerations in an industrial environment with a focus on safety and emergency teams, job risk assessment, and safety evaluations. Quality systems in manufacturing will also be explored. This includes total quality management, creation of audit procedures, inspections, and continuous improvement. [FALL/SPRING] Two hours lecture, two hours laboratory per week. **Prerequisite(s):** MFG 101

### **MFG 201 Process and Production**

3 credits

A course designed to continue training in manufacturing and further prepare the student to earn their Certified Production Technician credential from Manufacturing Skills and Standards Council. Topics will include identifying customer needs, determine resources needed to meet customer needs, set up and verification of production equipment, setting team goals, assigning jobs, and coordinating workflows. These topics will be reinforced with lab work that includes real world production and production tracking. Ultimately, a product lifecycle will be examined and understood from start to finish. [FALL/SPRING] Two hours lecture, two hours laboratory per week. **Prerequisite:** MFG 101

The Manufacturing Technology Certificate will be assessed in accordance with Chesapeake College's program review process as outlined in the College Curriculum Guide<sup>5</sup>. Core programmatic goals include:

- Introduce the topic of manufacturing and create awareness of job opportunities.
- Prepare students to work safely in an industrial environment.
- Ready students to work in manufacturing by practicing measurement, tool usage, and interfacing with industrial machines.
- Explain the manufacturing process from start to finish.
- Identify career opportunities in manufacturing.
- Prepare for a successful career in manufacturing with a path forward to success in the field.

The Manufacturing Technology Certificate is fully supported through the college's marketing initiatives; all correlating materials accurately and concisely represent the program.<sup>6</sup>

The Manufacturing Technology proposal was carefully reviewed and approved through the college governance structure. Thus it has met the approval of the college faculty, administration and Board of Trustees for implementation and inclusion in the college

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<sup>5</sup> Chesapeake College. *Chesapeake College Curriculum Guide*. 2024.

<sup>6</sup> Chesapeake College. *Chesapeake College Curriculum Guide*. 2024.

budgeting process. The President has affirmed that the program can be implemented with existing institutional resources.

**H. Adequacy of Articulation (as outlined in COMAR 13B.02.03.19):**

Opportunities for articulation have been informally discussed. As of now, students who complete this degree will have the essential skills for immediate employment, or can take manufacturing courses as a part of our Technical and Professional Studies AAS program.

**I. Adequacy of faculty resources (as outlined in COMAR 13B.02.03.11):**

**Program Coordinator:** Frank Williams was hired in May of 2023 to provide oversight for the development and success of Chesapeake's noncredit Manufacturing Program before creating a credit program. He worked in the manufacturing industry for twelve years before coming to Chesapeake College. Frank had gained various manufacturing experiences in that time to include general manufacturing knowledge, industrial safety, automation, Fanuc robotics, maintenance, additive manufacturing, and lean manufacturing.

Noncredit manufacturing courses are currently running, with more in development. As more courses are created, adjunct instructors will be needed.

Faculty have many opportunities for professional development. Chesapeake College's Teaching and Learning Center (TLC) provides training to faculty in the use of our learning management system, Canvas, and in the use of other technologies that enhance student engagement and success. The Director and staff of the TLC have expertise in instructional design and technology and are always ready to discuss pedagogical solutions and technical tools.

**J. Adequacy of library resources (as outlined in COMAR 13B.02.03.12):**

The library of Chesapeake College provides students, faculty and community members with various resources to meet their informational and research needs and supports the programs that make up the current curriculum offerings. The library has a collection of 30,000 print titles, more than 300,000 e-books, 1,500 audiovisual materials, 50 print serial subscriptions, and over 100,000 electronic print serials. The library subscribes to over 50 databases providing full-text material, bibliographic citations, images, audio, and films.

The library is a member of the Upper Eastern Shore Library Consortium which provides for resource sharing among the college and local public libraries. This program allows our patrons to borrow from public and academic libraries throughout the State of Maryland. Information about the college's library resources is found at

<http://info.chesapeake.edu/lrc/library>. The President has affirmed that the program can be implemented within existing library resources.

**K. Adequacy of physical facilities, infrastructure and instructional equipment (as outlined in COMAR 13B.02.03.13):**



Due to the nature of Advanced Manufacturing training, equipment and auxiliary supporting software/systems are needed to offer a quality program. This includes computers with specialized programs such as Solidworks CAD installed, CNC machines with software on computers, manual machines, basic hand tools, hydraulic trainers, safety trainers, 3D printers, robots, and a host of materials used with these machines.

Through grant funding for Chesapeake's noncredit manufacturing program, all equipment listed above has already been acquired and set up in our manufacturing classroom and lab, currently housed in our Tech Building. There is approximately \$259,794 remaining in grant funds to continue setting up labs and buying equipment through the end of 2025. With expected growth in our noncredit, and now credit program, our Manufacturing program will move to our highly anticipated new Tech Building, with an estimated opening year of 2028.

In addition to the classroom and lab spaces, students have the opportunity to utilize all of the College's resources, including the library, Academic Support Center, computer labs, small group conference areas, and student dining/lounge areas.

**L. Adequacy of financial resources with documentation (as outlined in COMAR 13B.0203.14):**

TABLE 1: PROGRAM RESOURCES AND NARRATIVE RATIONALE

1. **Reallocated funds:** This program will utilize existing faculty resources and administrative staff.
2. **Tuition and Fee Revenue:** We are projecting no more than a 2% tuition increase each year. There is a total of \$2,300 in course fees for the four Manufacturing courses to help offset the cost of course consumables.
3. **Grants & Contracts:** While the tuition and course fees are designed to cover the immediate costs of the program, additional grants and private donations are anticipated to assist with site overhead and infrastructure needs. While the implementation of this program currently benefits from the federal earmark grant, the grant has largely been used for the implementation of the noncredit manufacturing program. Remaining funds are detailed below:

Software Licensing: \$2,474.77

Instructional Supplies: \$168.62

Equipment (cost under \$10K): \$52,321.70

Instru Furn & Equip (cost over \$10K): \$204,828.95

4. **Other sources:** Other sources of revenue include Consolidated Fees<sup>7</sup> of \$45 per credit hour; Capitol Improvement Fees<sup>8</sup> of \$15 per registration transaction, Registration Fees<sup>9</sup> of \$10 per registration transaction, and miscellaneous course fees<sup>10</sup>.
5. **Total Year:** See below.

Resource Categories	Year 1	Year 2	Year 3	Year 4	Year 5
1. Reallocated Funds	\$0	\$0	\$0	\$0	\$0
2. Tuition/Fee Revenue (c + g below)	\$17,292.00	\$39,198.00	\$46,812.00	\$53,862.00	\$60,912.00
a. Number of F/T Students	6	12	14	16	18
b. Annual Tuition/Fee Rate	\$2,096.00	\$2,224.00	\$2,256.00	\$2,256.00	\$2,256.00
c. Total F/T Revenue (a x b)	\$12,576.00	\$26,688.00	\$31,584.00	\$36,096.00	\$40,608.00
d. Number of P/T Students	4	10	12	14	16
e. Credit Hour Rate	\$131.00	\$139.00	\$141.00	\$141.00	\$141.00
f. Annualized Credit Hour Rate	\$1,179.00	\$1,251.00	\$1,269.00	\$1,269.00	\$1,269.00
g. Total P/T Revenue (d x f)	\$4,716.00	\$12,510.00	\$15,228.00	\$17,766.00	\$20,304.00
3. Grants, Contracts & Other external sources	\$259,794	\$0	\$0	\$0	\$0
4. Other Sources	\$29,190	\$63,840	\$79,990	\$86,940	\$98,490
TOTAL (Add 1 – 4)	\$306,276.04	\$103,038.00	\$126,802.00	\$140,802.00	\$159,402.00

<sup>7</sup> Consolidated Fee: Helps cover the cost of the Academic Support Center, student activities, technology, and general expenses of the college. This fee also covers use of the physical education facilities and equipment which all students have access to.

<sup>8</sup> Other sources: Capital Improvement Fee: Supplements county funds for facility improvements and equipment upgrades that do not meet the threshold for State funding

<sup>9</sup> Registration Fee: Defrays cost of clerical support and supplies for registration processing.

<sup>10</sup> Miscellaneous course fees: Subsidizes cost of consumable supplies and materials used for instruction. Special course delivery charges are not included.

Chesapeake College expects that this program will enroll approximately 10 students in its first year, with enrollment growing steadily after that as we plan to expand and add electives to the program and marketing campaigns are enhanced.

TABLE 2: PROGRAM EXPENDITURES AND NARRATIVE RATIONALE

Resource Categories	Year 1	Year 2	Year 3	Year 4	Year 5
1. Faculty (b + c below)	\$89,860	\$91,365	\$95,645	\$102,494	\$109,162
a. Number of FTE	1.00	1.00	1.00	1.00	1.00
b. Total Salary	\$74,160	\$75,272	\$78,942	\$85,171	\$91,416
c. Total Benefits	\$15,700	\$16,093	\$16,703	\$17,324	\$17,746
2. Admin. Staff (b + c below)	\$0	\$0	\$0	\$0	\$0
a. Number of FTE	\$0	\$0	\$0	\$0	\$0
b. Total Salary	\$0	\$0	\$0	\$0	\$0
c. Total Benefits	\$0	\$0	\$0	\$0	\$0
3. Support Staff (b + c below)	\$0	\$0	\$0	\$0	\$0
a. Number of FTE	\$0	\$0	\$0	\$0	\$0
b. Total Salary	\$0	\$0	\$0	\$0	\$0
c. Total Benefits	\$0	\$0	\$0	\$0	\$0
4. Technical Support & equipment	\$0	\$0	\$0	\$0	\$0
5. Library	\$0	\$0	\$0	\$0	\$0
6. New or Renovated Space	\$0	\$0	\$0	\$0	\$0
7. Other Expenses	\$0	\$0	\$0	\$0	\$0
<b>TOTAL (Add 1 – 7)</b>	\$89,860	\$91,365	\$95,645	\$102,494	\$109,162

The program will be implemented with existing administrative staff and campus resources, requiring no new expenses for personnel. Campus resources are funded through the College’s general operating budget each year. As our non-credit and credit programs continue to grow, courses may be co-listed in at least the first year, and at least one adjunct faculty member will be needed as more courses are added as electives.

Salaries are forecasted to increase 1.5% each year, while health benefits are forecasted to increase 2.5% each year. Library resources and equipment are budgeted within the general operating budget on an ongoing basis. A separate proposal and supporting documentation for the new Tech Building has already been submitted and approved by the state.

**M. Adequacy of provisions for evaluation of program (as outlined in COMAR 13B.02.03.15):**

The college uses a five-year internal program review process for all of its programs. Additionally, all courses are reviewed annually with student opinion surveys. Faculty

developed and approved assessment plans are implemented to monitor student mastery of all identified course and program goals and student learning outcomes.

**N. Consistency with the state’s minority student achievement goals (as outlined in COMAR 13B.02.04.05):**

Chesapeake College will use its ongoing outreach strategies to feeder high schools and to communities with high concentrations of minority populations. The College has a strong dual enrollment program which will be used to encourage early decisions about career goals and career exploration. Also the college, working in cooperation with the local county schools, has initiatives such as grow your own programs, community mentors, and new financial incentives, to recruit and retain more minority students. The college has an aggressive “early alert” system as part of its student retention initiatives.

**O. Relationship to low productivity programs identified by the commission:**

This program is not related to low productivity programs identified by the Commission.

**P. Adequacy of distance education programs (as outlined in COMAR 13B.02.03.22):**

Chesapeake College follows C-RAC guidelines for distance education.

## Rural Maryland Economic Development Fund Summary of Approved Projects

### Mid Shore Regional Council

Caroline County	7 projects	\$ 3,233,333
Dorchester County	7 projects	\$ 3,233,333
Talbot County	14 projects	\$ 3,233,333
MSRC administrative expenses		\$ 300,001
<b>Total</b>		<b>\$10,000,000</b>

### Caroline County - 7 Projects

\$3,233,333

Applicant: County Commissioners of Caroline County

Project: Data Center Shell Building

Amount: \$2,000,000

Design and build through a public/private partnership with Choptank Electric a 10,000 to 20,000 square foot post and frame shell building on a parcel at the Mid Shore Regional Technology and center and provide leads to secure tenants. Construction will be managed by a project manager Business Park. Choptank Electric will outfit with appropriate infrastructure for a boutique data with oversight by the County Administrator and Economic Development Director.

Applicant: Chesapeake College

Project: Future Works Workforce Training

Amount: \$257,500

The \$257,500 investment from Caroline County – together with \$875,500 in Rural Maryland Economic Development Funds from the other four counties –would provide the gap funding needed to fully expand an existing trades program, kick-start a new trades program, help staff a new Center for Innovation and Entrepreneurship, and provide support to non-credit students.

Applicant: Maryland Broadband Cooperative, Inc.

Project: MidShore Optical Broadband Network Upgrades

Amount: \$240,000

To upgrade our backhaul network equipment to meet these demands. Our strategy is to deploy 100-Gigabit capable optical equipment ubiquitously across our statewide network. In the MidShore, we have plans to upgrade and future proof our Points-of-Presence (POP) in Denton, Cambridge, and Wye Mills. This upgrade could benefit every Cooperative Member ISP operating in the region. We're asking for grant funds to help us keep pace with the growing needs of the MidShore.

Applicant: Eastern Shore Entrepreneurship Center, Inc.

Project: Farm to Freezer Facility and Program

Amount: \$300,000

The Chesapeake Farm to Freezer Project involves establishment of a processing & aggregation facility in Caroline County that will help solve a number of problems on the Eastern Shore, to include; 1) a means by which to create a more resilient & sustainable local food system through the availability of locally processed produce, 2) increasing the availability of local nutritious food to those areas of the Eastern Shore having limited access, 3) creating increased revenue & profit margins for local farmers & growers by providing wider access to markets (wholesale, institutional, & retail), and 4) creating the opportunity for growers to scale & diversify their production & increase employment.

Applicant: County Commissioners of Caroline County  
Project: Tech Park Development Plan of Action  
Amount: \$200,000

Engage a commercial real estate consultant to inform and promote the Mid Shore Regional Technology and Business Park (the Park) to local and national businesses.

Applicant: County Commissioners of Caroline County  
Project: West Denton Infrastructure Study  
Amount: 100,000

Gather data and information on the potential impact of West Denton development, including the impact to county services associated with such development.

Applicant: County Commissions of Caroline County  
Project: Business Attraction Capacity Building  
Amount: \$135,833

Utilizing a professional marketing organization, partner with commercial land holders and commercial realtors to promote Caroline County for business expansion and attraction through multiple media outlets, industry specific publications, and in-person events.

## **Dorchester County - 7 Projects**

Applicant: Maryland Broadband Cooperative, Inc.  
Project: MidShore Optical Broadband Network Upgrades  
Amount: \$240,000

To upgrade our backhaul network equipment to meet these demands. Our strategy is to deploy 100-Gigabit capable optical equipment ubiquitously across our statewide network. In the MidShore, we have plans to upgrade and future proof our Points-of-Presence (POP) in Cambridge, Denton, and Wye Mills. This upgrade could benefit every Cooperative Member ISP operating in the region. We're asking for grant funds to help us keep pace with the growing needs of the MidShore.

Applicant: Cambridge Waterfront Development, Inc.  
Project: Cambridge Harbor Streetscape Design and Partial Construction  
Amount: \$1,000,000

Cambridge Harbor is a new brand selected by the Community for 34 acres of prime waterfront property entrusted to CWDI to develop in partnership with the community to the benefit of the community, making it an inviting, accessible, active and enjoyable place to live, work, play and visit. The development envelope spans from Cambridge Creek on the west to the old Highway 50 bridge on the east and from the Choptank River on the north to Bryn Street on the south. Included in the plan are significant public open activated waterfront green spaces accessible by water, but primarily reached by foot, bike and car along public roads that need complete renovation to include new paving, added and improved sidewalks, underground utility corridors, streetscaping with benches and plantings, bike racks and other amenities. The schematic concept for these has been laid out, but funding is needed to complete design and begin phased construction.

Applicant: Dorchester County  
Project: Woods Road Project  
Amount: \$1,192,748

The Woods Road Project consists of improvements and upgrades (culvert replacement and drainage), repaving and striping on Woods Road from the circle on Route 16 to Route 50 (.08 Miles). The railroad that feeds Woods Road was permanently shut down in May 2016 causing increased truck traffic without enough room to turn safely at Interstate Container (now DS Smith). The business was able to rearrange traffic flow onsite after the rail closure, but the main road has not been improved. Interstate Container was attracted to Cambridge because it had a rail system that could carry their heated material and deliver onsite. Since then, Protenergy (across the street) has expanded twice and may expand again in the near future. They employ 280 people and have increased production. Water infrastructure was added to Woods Road for their expansion.

Applicant: Chesapeake College  
Project: Future Works Workforce Training  
Amount: \$257,500

This \$257,500 investment from Dorchester County – together with \$875,500 in Rural Maryland Economic Development Funds from the other four counties – would provide the gap funding needed to fully expand an existing trades program, kick-start a new trades program, help staff a new Center for Innovation and Entrepreneurship, and provide support to non-credit students.

Applicant: Chesapeake College  
Project: CDL/Class B Expansion to Dorchester County  
Amount: \$338,085

New Federal Motor Carrier Safety Association (FMCSA) regulations require all new Commercial Driver's License (CDL) candidates to complete an approved training program to receive their certifications. Chesapeake College is one of only 3 approved training facilities on the Eastern Shore; the other facilities are located at Cecil Community College and WorWic Community College. The demand for the College's CDL program in Wye Mills is out pacing enrollment capacity. Currently students interested in obtaining a CDL are registering for classes offered 9-12 months out. As a result, potential students, including local government agency employees who need this training (county roads, school bus and various municipal agencies), are severely

impacted. A 9-12 month wait for training could create a public safety issue, as well as a service issue. By adding an auxiliary training location for Class B-specific CDL licensing in Cambridge/Dorchester County, Chesapeake College can significantly reduce wait times for classes to a more reasonable 1- 3 months for municipal workers in Dorchester and other county governments, as well as relieve the pent-up demand among students across the mid-Shore and possibly beyond. Internal data from the College, as well as external data from JobsEQ supports that CDL certification is a growing and popular program in Dorchester County and on the Eastern Shore of Maryland.

Applicant: Upper Shore Workforce Investment Board  
Project: Incumbent Worker Training  
Amount: \$50,000

Incumbent Worker Training is designed to help existing businesses train incumbent workers to allow them to gain a promotion, expand into new markets, or simply retain them. The current workforce is very dynamic now and Dorchester County employers need help keeping their key staff and IWT can be an effective tool to invest in their own employees. Training funds from our standard WIOA or ARPA typically cannot be used for incumbent workers due to the inability to qualify them with the restrictions on these grants.

Applicant: The Town of Vienna  
Project: Edwin Murphy Community Purchase  
Amount: \$155,000

The Town of Vienna would like to gain ownership of 104 Race Street located in the Town of Vienna. The property is currently owned by The Vienna volunteer Fire Company, Dorchester County and is currently for sale. The Town would like to purchase and demolish the building to create additional parking space for our boating traffic and waterfront events. Our concern is that the building will be purchased to be used for a purpose not in line with the vision of our community and surrounding neighbors. We envision a parking lot with bathroom facilities that can bring additional events and vendors to highlight our beautiful waterfront. Past events have caused traffic and parking issues along the narrow streets and with neighbors. We feel that this project is in the best interest of the town.

## **Talbot County - 14 projects**

Applicant: Chesapeake College  
Project: Future Work Workforce Training  
Amount: \$257,500

This \$257,500 investment from Talbot County — together with \$875,500 in Rural Maryland Economic Development Funds from the other four counties — would provide the gap funding needed to fully expand an existing trades program, kick-start a new trades program, help staff a new Center for Innovation and Entrepreneurship, and provide support to non-credit students.

Applicant: Maryland Broadband Cooperative, Inc.



Project: MidShore Optical Broadband Network Upgrade  
Amount: \$240,000

This upgrade could benefit every Cooperative Member ISP operating in the region. We're asking for grant funds to help us keep pace with the growing needs of the MidShore. Costs for upgrading equipment, facilities, and service capacity in the three identified MidShore POPs is approximately \$240,000 per location.

Applicant: Eastern Shore Entrepreneurship Center, Inc. (ESEC)  
Project: Talbot County Agbiotech Manufacturing Project  
Amount: \$500,000

The proposed project initiates the development of an ag biotech manufacturing center in Talbot County. Agbiotech is the merging of agriculture and biotechnology, commercializing innovative solutions based upon biology rather than chemistry. Through its F3 Tech (Farm•Fish•Food) Accelerator, ESEC has seen a concentration of early-stage companies that fall under the category of agbiotech. For this reason, ESEC conducted a feasibility study that inventories regional assets and market opportunity in support of an ag biotech manufacturing center.

Applicant: The Town of Trappe, Inc.  
Project: ENR Wastewater Treatment Plant Upgrade  
Amount: \$500,000

Trappe is served by a 200,000 gallon per day Biolac wastewater treatment plant that was completed in 2003. Trappe is in the process of upgrading the treatment plant to an Enhanced Nutrient Removal ("ENR") plant. After the completion of this upgrade the Town will be able to offer additional sewer connections without increasing the Town's discharge permit capacity, which may include commercial and/or industrial properties located within Town limits that are not currently served with public water and sewer. The Town has identified infill areas along US Rt. 50 that are eligible for highway commercial mixed-use zoning the locations of which take advantage of the highway frontage and exposure. Property owners will be able to utilize Bay Restoration Fund money to connect to Trappe's wastewater treatment plant as it will meet the BRF criteria, which it currently does not, which will incentivize new businesses.

Applicant: Chesapeake Bay Maritime Museum, Inc.  
Project: CBMM's New Visitor Center  
Amount: \$300,000

The Chesapeake Bay Maritime Museum respectfully requests \$300,000 to support the completion of Phase II of our Master Plan. Developed in 2017, and recently re-envisioned, CBMM's Master Plan is an essential five-to-seven-year plan to enhance the visitor experience, further fulfill our mission, and contribute to Maryland's economic and community wellbeing. A recent economic impact report (Rockport Analytics Annapolis) indicated that visitors traveling specifically to visit CBMM from more than 50 miles generated \$11.6M in spending for Talbot County, and \$1.7M in state and local tax collections. The report is attached, which also emphasizes the extensive PK-12 and community programming services provided.

Applicant: Talbot County Free Library Association, Inc.  
Project: Building Digital Literacy and Employment Skills at the Talbot County Free Library  
Amount: \$22,000

The Talbot County Free Library (TCFL) is building on a series of initiatives, funded by grants -- begun at the outbreak of the pandemic -- that provide our rural community with improved access to, and training on, and use of, the internet and other digital library resources. TCFL has worked to provide improved access to the internet by building out wireless connectivity to the exterior of our two branches, increasing the number of circulating Wi-Fi hotspots, and creating a Wi-Fi Community Connection at a public park in Trappe. TCFL has also worked on marketing and training the public on using a wide variety of e-resources and training opportunities available from all public libraries on the Eastern Shore.

Applicant: Building African American Minds, Inc.  
Project: BAAM Workforce Development Program  
Amount: \$87,133

Building African American Minds (BAAM) Inc., is seeking funding in the amount of \$87,131.94 to assist with developing, implementing, and delivering a Workforce Development Program for adults, in particular those ages 18-30. Our program will focus on determining the participants' math, reading and writing levels as well as career/job skills interest to be able to develop an individualized plan for the participant and provide services and opportunities to enable the participant to reach their education and career goals.

Applicant: Talbot County Department of Economic Development and Tourism  
Project: Inclusive Ventures Program  
Amount: \$50,000

Talbot County Economic Development and Tourism is seeking funding for a training program to assist small, minority, woman, and veteran entrepreneurs with education, mentorship, and access to capital. The goal is to help these businesses maximize opportunity, create jobs, and grow the local and state economy.

Applicant: Talbot County Department of Parks and Recreation  
Project: Frederick Douglass Park on the Tuckahoe Phase II Planning and Implementation  
Amount: \$300,000

Redevelopment, Engineer, Architecture and Interpretation - \$300,000. Funds will be used to support Phase II of the Master Plan for the Frederick Douglass Park on the Tuckahoe to include planning and implementation of archaeological investigations at the site, engineering for overlooks, expanded trail network as well as restrooms.

Applicant: Talbot County Economic Development and Tourism  
Project: Talbot County Economic Development and Tourism Strategic Plan  
Amount: \$125,000

With a strong core of brick-and-mortar businesses and a wealth of professionals who make up "the creative class," Talbot County's vibrant economy is uniquely situated for continued growth.

The Department of Economic Development and Tourism seeks funding to develop a strategic plan for Talbot County, a plan that leverages past successes and takes the community to the next level as a destination both for businesses and visitors. An achievable, strategic economic

Applicant: Talbot County Government  
Project: Goldsborough Neck Culvert Improvement  
Amount: \$750,000

Talbot County is working to widen and improve Goldsborough Neck Road to support local businesses moving the Town of Easton's Industrial Park located on Goldsborough Neck Road. The culvert improvements will extend the existing pipes to allow Goldsborough Neck Road to be widened with 39 feet of pavement. By widening Goldsborough Neck Road and this culvert, existing businesses in the Towns of Easton and St. Michaels will have an alternative route that supports MSRC Rural Maryland Economic Development Fund Application 19 heavy-duty tractor trailers, buses and farm equipment. In addition to the existing businesses, the proposed road improvements will support new businesses moving to the Industrial Park developed on land owned by the Town of Easton.

Applicant: Talbot County Department of ED and Tourism  
Project: Talbot County Visitors Center Feasibility Study  
Amount: \$38,700

Talbot County's location at the epicenter of the newly designated Chesapeake Country All-American Road gives an urgency to this request. U.S. Route 50 forms the spine of this internationally significant byway as it passes through Talbot County. Co-locating on the property alongside the Talbot County Community Center or the Easton Airport seems to make sense from a practical standpoint. A feasibility study will help the Talbot County Council understand the capital investment and operational considerations required for such a project.

Applicant: Oxford Community Center, Inc.  
Project: The Work Hub  
Amount: \$13,000

The Oxford Community Center is a prime commercial facility to serve workforces of many kinds. With existing high-speed internet, new surround sound audio system, breakout rooms, outdoor platforms, large presentation screen, stage, podium and a commercial kitchen, the OCC is a high-service business hub. But it needs an upgrade in hybrid technology and live streaming A/V capabilities. The demand for these technical services has increased since Covid and is the new standard for all business meetings.

Businesses from sole proprietors to industry conferences, hybrid options for participants are a must.

Applicant: Classic Motor Museum of St. Michaels, Inc.  
Project: Automotive Technician Apprenticeship Program  
Amount: \$50,000

There are no automotive technician education programs for adults on the eastern shore of Maryland. Aspiring automotive technicians from Maryland's eastern shore must either commute

to Catonsville Maryland (Community College of Baltimore County) or Georgetown, Delaware (Delaware Technical Community College) to attend classes and labs, or move to Cumberland, Maryland (Allegany College of Maryland) to receive such training. This lack of education and training means that local automotive repair shops cannot find qualified technicians to hire. The Classic Motor Museum’s volunteers, along with many others in the automotive industry on the eastern shore, believe that the lack of automotive will not abate until there is an intervention to change the dynamic.

### **Tri-County Council Lower Eastern Shore**

Somerset County	1 project	\$ 3,300,000
Wicomico County	1 project	\$ 3,298,333
Worcester County	7 projects	\$ 3,299,333
Administrative expenses		\$ 102,334
<b>Total</b>		<b>\$10,000,000</b>

#### **Somerset County**

Application: Board of County Commissioners for Somerset County Maryland  
 Project: Somerset County Industrial Park  
 Amount: \$3,300,000

The Somerset County Commissioners, in consultation with the County Economic Development Commission, proposes developing an industrial attraction site that will allow the county and the state of Maryland to market to firms looking to expand in the Mid-Atlantic. The current industrial park in Princess Anne is nearly full. Several years ago Wal-Mart explored development at the proposed site. The county and state invested in site area upgrades including a traffic light at the intersection with Route 13 and a water tower. Recently Chesapeake Utilities has extended natural gas to the adjacent property – ECI. The project will acquire approximately 175 acres of developable land in the County's Priority Funding Area, complete a site evaluation to include wetland and forest delineation and survey of the developable portion for a single or multiple site, extend utilities to the site, and produce marketing materials to be used to educate site selection consultants. The anticipated land acquisition cost is \$1.5 Million, with almost \$2.0 Million budgeted for site preparation and extension of services. Discussions with real estate professionals have garnered positive feedback, as most firms currently want to have a quick development timeline but prefer building to their own needs. This project would allow Somerset to compete for large scale projects that need a ready to build site with access to water and sewer, fiber, natural gas, and highway access. Discussions show that likely tenants would employ approximately 250 workers in a facility up to 450,000 square feet, and total investment in the property would be between \$10 and \$50 Million.

#### **Wicomico County**

Applicant: Salisbury-Wicomico Economic Development Inc.  
 Project: Salisbury-Wicomico Regional Airport Growth and Development

Amount: \$3,298,333

The purpose of this project is to provide a comprehensive approach to retain and enhance scheduled airline service for our region, grow the aviation and aeronautical sector for a more diverse and sustainable economy, create a pipeline of talent for area employers in general and Piedmont Airlines (dba American Eagle) in particular, offer a pathway to meaningful job opportunities, retain, and increase jobs and plan for future development at the Salisbury-Ocean City Wicomico Regional Airport (SBY). This purpose is accomplished by (1) establishing an FAA Part 147 Certified Aviation Maintenance Technician (AMT) program at SBY, (2) developing a strategic plan for SBY and (3) creating shovel-ready site(s) at SBY for future development. Wicomico County owns and operates the Salisbury-Ocean City Wicomico Regional Airport. With its headquarters and a large maintenance operation based at SBY, Piedmont Airlines, a wholly owned Tri-County Council for the Lower Eastern Shore of Maryland subsidiary of American Airlines, offers scheduled airline service to approximately 120,000 passengers annually to and from Philadelphia International and Charlotte Douglas International airports. The University of Maryland Eastern Shore (UMES), an HBCU located in Somerset County, Maryland offers the only four-year degree in aviation science coupled with a pilot training program in Maryland. This project adds another component to UMES' offering as the school will operate the AMT program at SBY. Combined, this partnership between Wicomico County, Maryland, UMES, Piedmont, and other industry partners, establishes a robust workforce development initiative that is perhaps unparalleled anywhere else in the country and will help drive future development at SBY.

### **Worcester County – 7 projects**

Applicant: Worcester County Government  
Project: West Ocean City Commercial Harbor Dredging  
Amount: \$275,000

Supplemental dredging of the West Ocean City Commercial Harbor to eliminate scattered shoaling causing issues with larger commercial and recreational vehicles needing additional draft clearance to load/unload, navigate, and dock. Clearing navigational obstacles has an enormous local impact to dozens of waterfront and marine-dependant businesses including marinas, commercial seafood processors and suppliers, commercial and recreational fishing, restaurants, boat repair/diesel engine contractors/electronic services, barge/ship/yacht dockage, and 1,000's of recreational boaters.

Applicant: Worcester County Government  
Project: Worcester Main Street Connectivity  
Amount: \$800,000

The proposed project would provide fiber optic service to the main street areas in Berlin, Snow Hill, and Pocomoke City and surrounding areas to allow small rural businesses the same access to fiber as any other major city. The county would run buried conduit throughout the areas allowing for every home and business to have fiber service with no large up front install fee. The conduit would be co- owned by the county allowing the county to utilize the network for any future expansions of their network or any new ideas this network can provide. This could include camera

systems, Wi-Fi for towns, internet for special events, etc. This project is a plan to build infrastructure that will help these towns for generations to come, and as new technologies emerge the county will be able to use this conduit to keep up with the changes.

Applicant: Worcester County Government  
Project: Riddle Farm Wastewater and Water Plant Optimization  
Amount: \$1,719,333

Upgrade of WWTP membranes to add capacity and maintain effective operation of the plant. Project also involves lowering of the water tower to be compatible with neighboring water systems for finalization of interconnections to add capacity and provide for redundancy, reliability, and resiliency in the use of the local water supply resources.

Applicant: Worcester County Government  
Project: Northern Regional Water and Wastewater Engineering and Design  
Amount: \$205,000

Engineering and design services to facilitate expansion and interconnection of Mystic Harbour and Riddle Farm water systems. Engineering and design services will also plan for construction of an interconnection between Mystic Harbour and Riddle Farm treated effluent storage ponds to take advantage of land application capacities in each service area to utilize treated effluent as reuse irrigation. This interconnection helps provide a stable land application area and storage that would be very costly to new commercial customers to recreate and construct within these service areas. Engineering and design services will also be done for water and wastewater infrastructure improvements to Rt. 589 commercial corridor to provide for growth and stable delivery of sanitary services to the Ocean Pines regional area.

Applicant: City of Pocomoke City  
Project: Pathways to Economic Development  
Amount: \$100,000

Over the several years the city has explored infrastructure improvement in the areas of using bikeways, walkways, and pathways to bolster economic growth. Creating strong pathways leads to positive economic impact. This project will focus on three main factors: Infrastructure Feasibility (hardscape and environmental), Economic Development, and Intercommunity Connectivity. Infrastructure Feasibility would include the best places to build bikeways, walkways, and pathways with the least environmental impact and the most economic impact. This would include hard scapes that are complementary to the native landscaping features in our city and their cost factors. Economic Development Factors would evaluate the scaling of infrastructure development and how it would directly impact business foot traffic, revenue bases, including tourism dollars. This would include events and activities using the proposed infrastructures and the administrative capacity required to oversee these changes.

Applicant: City of Snow Hill  
Project: Snow Hill - Bikeways Project  
Amount: \$100,000

Establishing a “greenway connectivity network” to connect commercial districts and strategic points of interest throughout Snow Hill has been a goal identified in Snow Hill’s Comprehensive Plan since 2010. Similarly, paths and rails, and increased Wayfinding signage are strongly suggested in our 2025 Strategic Revitalization Plan, and throughout our Nature and Heritage

Tourism Assessment. To implement the development strategy of connectivity, the Town of Snow Hill contracted with Toole Design Group, LLC (Silver Spring, MD) for a Bikeways Feasibility Study. Their final report identified a 3-mile loop connecting key destinations in town that will provide safer, more convenient, and enjoyable biking for residents and visitors. Connecting to longer distance routes and opportunities for biking, The Snow Hill Bikeways Project will be the central link to various bikeways plans being developed by neighboring communities, positively impacting tourism, and economic development of the Town. Economic impact studies by the Rails to Trails Conservancy show a correlation between trails and increased property values, business development, quality of life, and tourism.

Applicant: Lower Shore Land Trust  
 Project: Lower Shore Trails and Greenways Connections  
 Amount: \$100,000

This project would provide for a coordinated effort to enhance transportation infrastructure that would achieve economic and community benefits for all three counties in line with the objectives of the Rural Maryland Economic Development Fund. Cross marketing of existing bike, walk, and run events and safe places to walk and ride would have short-term results attracting tourists and businesses. Investing in collaborative planning and feasibility studies to create a connected regional greenway and trail network improves success in applying for state and federal funding to build the infrastructure. This would have a long-term economic impact for the Lower Shore as has been demonstrated by trail projects across the country.

### **Tri County Council for Southern Maryland**

Calvert County	4 projects	\$ 2,478,000
Charles County	8 projects	\$ 2,007,000
St. Mary's County	8 projects	\$ 2,470,000
Regional	4 projects	\$ 282,400
Tri-County Council	7 projects	\$ 2,556,400
Administrative expense		\$ 206,200
Total		\$10,000,000

### **Calvert County - 4 projects**

Applicant: Calvert County  
 Project: Feasibility study for Open Air Pavilion  
 Amount: \$60,000

Calvert County would use the results of the proposed Open Air Multi-Use Pavilion Feasibility Study and Schematic Design to issue a bid to permit and construct a 60 ft x 175 ft. multi-use, open structure with extended roof overhang, concrete floor (Includes 24' x 60' area for bathrooms and commercial kitchen.) The pavilion would serve as a centrally-located, focal point for a walkable community in the Prince Frederick Town Center, and complement the new Armory Square development. The location would provide a visible farmers market and support events for residents and the business community and other tourism-supporting activities. It would also include a grassy area around the pavilion for community events and gatherings.

Applicant: Calvert County  
Project: Bay Bridge Passenger Ferry Feasibility Study  
Amount: \$18,000

The Bay Bridge Passenger Ferry Feasibility Study was submitted for an EDA Planning and Local Technical Assistance Programs (EDA-PHI-TA-PRO-2021-2006851) grant submitted by Visit Annapolis & Anne Arundel County on behalf of the consortium of participating counties. The total 50/50 matching grant is \$250,000. For the \$125,000 matching funds, MEDCO pledged \$25,000 for the project and the participating counties will be covering the remaining \$100,000. Grant seeks \$18,000 for Calvert County's portion of the matching funds.

Applicant: Calvert County  
Project: Open Air Multi-Use Pavilion Permitting and Construction Project at Armory Building Site in Prince Frederick Town Center  
Amount: \$2,000,000

Calvert County would use the results of the proposed Open Air Multi-Use Pavilion Concept Plan Feasibility Study (also requested through the Maryland Rural Investment Fund) to issue a bid to construct a 60 ft x 175 ft. multi-use, open structure with extended roof overhang, concrete floor (Includes 24' x 60' area for bathrooms and commercial kitchen.) The pavilion would serve as a centrally-located, focal point for a walkable community in the Prince Frederick Town Center, and complement the new Armory Square development. The location would provide a visible farmers market and include a grassy area around the pavilion for community events and gatherings. The multi-use, open air facility would serve as a home for a centrally-located Calvert County Farmers Market, community events during off-market days, promote visitation/tourism, create opportunities to stimulate business activity, and maximize the variety and nature of events capable of being hosted to optimize utilization, including a winter ice skating rink.

Applicant: Calvert Economic Development  
Project: Armory Square  
Amount: \$400,000

Armory Square is a comprehensively planned retail and medical office project planned for the Prince Frederick Town Center. It is a redevelopment at the former Calvert Middle School property at 435 N. Solomons Island Road, Prince Frederick MD 20678. The project is expected to result in 125,000 square feet of new commercial space, 450 jobs and an estimated \$325,000 in annual property taxes.

## **Charles County - 8 projects**

Applicant: United States Bomb Technician Association (USTBA)  
Project: Equipment for labs at the USBTA  
Amount: \$267,000

The lab equipment is needed in the seven labs at the newly opened USBTA Bomb Disposal Technology and Training Center located at the Maryland Technology Center (MTC) in Indian



Head in order to perform the USBTA mission and to facilitate the collaborative efforts that serve the strategic industry sector of public safety and defense including: Research, Development, Testing, and Training at the Bomb Disposal Technology and Training Center at the Maryland Technology Center in Indian Head MD. This lab equipment will outfit the USBTA's workforce training facility and multiple labs to include: Wet lab, Woodshop, Machine/metal shop, Electronics lab, 3-D printing lab, and a computer lab.

Applicant: Charles County Economic Development  
Project: Maryland Technology Center (MTC) Buildout Expansion for USBTA  
Amount: \$550,000

Funding for expansion and buildout at the MTC will allow the United States Bomb Technician Association (USBTA), a 501c(3) membership association, to respond to the economic and workforce development demands of a strategic industry sector - public safety and defense – through an expansion of its current facility (which is 13,000 sq ft) to a 29,000 sq ft building used for research, testing, and training. The USBTA is a 501c(3) membership association with a mission to work collaboratively with industry, government, and academia to equip public safety personnel and bomb technicians with the best training and tools available through innovation and collaboration. USBTA has a 10-year lease with two five-year options to manage and operate the MTC, for a total of 20 years from building owner Triumph Development.

Applicant: Charles County Government  
Project: Mallow's Bay National Marine Sanctuary Visitors Center Feasibility Study  
Amount: \$350,000

Funding to determine the possible building configurations, management scenarios and site options for a Mallow's Bay, National Marine Sanctuary Visitors Center which has regional, state, and national significance. This request includes operational expenses and programmatic personnel costs associated with the study.

Applicant: Charles County  
Project: Waldorf Urban Corridor Streetscape Project  
Amount: \$175,000

Charles County is requesting funds for a Waldorf Urban Redevelopment Corridor (WURC) streetscape project to assist with attraction and retention businesses in the WURC corridor while larger redevelopment plans are underway.

Applicant: Charles County Government  
Project: Create Charles County: Advancing Arts, Culture & Community  
Amount: \$275,000

Charles County is requesting funds for the development of an Arts and Culture Master Plan. The master plan will guide the county on how to direct resources and ensure arts and culture is an integral part of the Charles County community in the future. The master plan will reflect the community's desire to utilize public arts and culture to enhance the sense of community;

contribute to economic vitality; create and support an environment where public art and culture thrive; and enrich the community culturally, aesthetically, educationally, and economically. This request includes operational expenses and programmatic personnel costs associated with the master plan development.

Applicant: Charles County Government  
Project: Popes Creek Waterfront Park Engineering and Design  
Amount: \$165,000

Charles County requests funding for engineering and design of Open-Air pavilion at the county owned Popes Creek Waterfront Park. This pavilion will be utilized by residents, visitors, and other tourism supporting activities. This request includes operational expenses and programmatic costs associated with the engineering design.

Applicant: Charles County Government  
Project: Esthetic Improvement Project - Crain Memorial Welcome Center  
Amount: \$175,000

The goal of this project is to work with vendor/ design specialists to develop and execute a concept plan for the facility. The objective is to reimagine and enhance the in Charles County. The brochure furniture is worn and dated and does not effectively showcase the different size brochures to visitors. A goal of this new plan will be to secure brochure furniture that will accommodate all brochure sizes and showcase the name of the county allowing visitors to view them from a distance.

Applicant: Charles County Melwood Horticulture Training Center  
Project: Building Paths  
Amount: \$50,000

The purpose of the program is four-fold: 1) to assist participants to learn the soft and hard skills needed to obtain and retain employment, 2) to provide employers with a ready funnel of workers, 3) to assist participants to enter an apprenticeship program, and 4) to address the limited educational opportunities available to people with disabilities.

Building Paths also addresses many compliance requirements and community needs and ensures compliance with federal mandates that state training is linked to an in-demand industry or occupation that leads to economic self-sufficiency and encourages the attainment of postsecondary credentials.

## **St. Mary's County - 8 projects**

Applicant: St. Mary's County Economic Development  
Project: Lexington Park Development District Implementation Plan  
Amount: \$100,000

This project will utilize consultant services to develop a Plan of Action for implementing the adopted Lexington Park Development District (LPDD) Master Plan. The Comprehensive Plan calls for locating 80% of the County future growth on the 20% of County land that is designated

for growth areas. The LPDD Plan anticipates that 70% of that growth area development will be located in the Lexington Park Development District. A first step in assuring Lexington Park is able to accommodate the planned intensity of development, is providing specific implementation strategies to create an attractive physical environment that helps existing and infill businesses attract customers and talent, to enhance quality of life for existing and future residents so that Lexington Park becomes the primary destination for locating homes, employment, and services within the Calvert-St. Mary's MPO. Short term outcomes will be streetscape enhancements to activate downtown and gateway, the crafting of a façade improvement program, and addressing factors that help increase resiliency of Naval Air Station Patuxent River.

Applicant: St. Mary's County Government  
Project: St. Mary's Regional Airport Public Space Enhancements  
Amount: \$380,000

Create public gathering spaces for further activation of the regional airport and emerging AeroPark Innovation District as an attractive location for continued growth in general aviation, aviation related enterprises, and charter service for Southern Maryland and as the physical headquarters for Southern Maryland Innovates. Create a flexible and programmable center providing a variety of active and passive experiences increasing activation and promoting growth and collaboration within the regional airport district. The effort will encourage interaction of those within the aviation and aeronautic industries, pilot population, academia and research organizations all within the district footprint as well as draw residents and visitors to the site.

Applicant: St. Mary's County Economic Development  
Project: St. Mary's County Urban Legacy Plan Development  
Amount: \$60,000

Create an Urban Legacy Plan through stakeholder engagement, with priority funding areas and mechanisms for compliance. An Urban Legacy Plan is designed to enhance resiliency of NAS Pax and increase confidence of businesses in the Calvert-St. Mary's MPO.

Applicant: Maryland Economic Development Corporation (MEDCO)  
Project: UAS Strategy and Roadmap for the State of Maryland  
Amount: \$80,000

St. Mary's Department of Economic Development plans to support the Maryland Economic Development Corporation (MEDCO) project to help define the investment, stakeholder engagement, and strategic vision and plan that positions Maryland to capture the tremendous economic and societal benefits potential autonomous technologies offer to the region. This project will inform MEDCO's efforts to help attract industry to the region, test and operationalize use cases, and foster innovation district and "place-making" development efforts to create economic impact.

Applicant: St. Mary's County Economic Development  
Project: The Barns at New Market Capacity Enhancement  
Amount: \$550,000

Install BAT (best available technology) to accommodate production of high fat food processing

and expansion of existing parking. Market is a destination and prime retail location for producers in St. Mary's, Charles and Calvert.

Applicant: University of Maryland College Park  
Project: Chesapeake Bay UAS Route Network (CURN) Phase II  
Amount: \$800,000

The goal is to create an FAA- approved UAS route network overlying the Chesapeake Bay that supports future research and development, government/civil/commercial operations, and public safety. Phase 2 will be an implementation phase that includes the execution of the various action plans developed in Phase 1. Examples of the various action plans to be executed include the detailed phased implementation of operational requirements, communication, marketing, staffing, business/financial, and service support supplier acquisition plans. Phase 2 will implement the infrastructural foundation to the route network to support Southern Maryland and the entire Bay watershed to begin routine operations. The completion of Phase 2 will allow the route network to become scalable to support other regions in Maryland.

Applicant: University of Maryland College Park  
Project: Chesapeake Bay UAS Route Network Phase I  
Amount: \$500,000

The goal is to create an FAA- approved UAS route network overlying the Chesapeake Bay that supports future research and development, government/civil/commercial operations, and public safety. An FAA approved UAS route network will allow for easy transport of goods across the bay, will increase UAS research and development, and will bring recognition to Southern Maryland as a leader in the UAS field. Phase 1 will be a planning phase that includes developing all necessary action plans required to lay the infrastructure foundation to implement the route network to support the Southern Maryland and the entire Bay watershed. Examples of the various action plans to be developed include a detailed phased implementation of operational requirements, communication, marketing, staffing, business/financial, and service support supplier acquisition plans

### **Tri-County Council - 7 projects**

Applicant: Southern Maryland National Heritage  
Project: Southern Maryland NATIONAL Heritage Area Project  
Amount: \$420,000

The Southern Maryland National Heritage Area initiative began several years ago as the potential for becoming a National Heritage Area became an important focus of this state based heritage entity. All aspects of this project are community and partnership driven. Numerous public forums were held, and the Feasibility Study required by the National Park Service and by the national legislation was formulated, circulated, and launched for community review and input. The Feasibility Study was then approved by the National Park Service, which allowed legislation to move forward. The legislation has now passed the United States House of Representatives and is pending a vote in the United States Senate. It is important to note that this is a bipartisan initiative, and there were no objections to the legislation from either party as it passed through committees. The requested funds would allow for the maximum impact to be gained from the initial designation: launching a national media campaign, hosting an in-person launch, creating

the marketing needed to define and promote the new National Heritage Area, and allowing the process of a management plan to begin immediately.

Applicant: The College of Southern Maryland  
Project: Vertical Agriculture and Sustainable Food Systems  
Amount: \$490,000

The College of Southern Maryland's implementation of a vertical agricultural training program for a sustainable food systems workforce will introduce seedling and food production with limited space and resources. Students will be trained to understand and operate a scalable vertical agriculture system with controlled environment and applied science. This system utilizes water and technology and allows the incorporation of devices to take advantage of renewable/green energy sources for its electric energy consumption. Workforce development around food production technologies opens the door to contributing to a struggling food supply chain without access to space or tillable land. The proposed system does not use robotics and offers simple maintenance and repair solutions, adding yet another level of skill development and training. The Tri-County Council for Southern Maryland is seeking funding of \$490,000 to purchase and provide CSM with a 10-rack vertical agricultural system for the development of a sustainable food systems workforce development program to take place between the classroom and partnering farm. This funding amount includes technology acquisition and installation, curriculum development, participant training, and instructional cost for two years.

Applicant: The Boards of Education in Calvert, Charles, and St. Mary's  
Project: Virtual Reality Career Exploration  
Amount: \$30,000

Virtual Reality (VR) Career Exploration creates classroom-to-career pathways, training the current and next generation of workers for well-paying jobs across every industry via hands-on, simulated training that teaches critical skills for in-demand jobs. As an economic development engine, this platform helps create better futures for students, workers, employers, and the communities that they call home, in turn strengthening the local economy. Teachers and students will be surveyed to determine levels of satisfaction with the technology. Survey results will be utilized to determine if this technology will be used by the Workforce Development Board in conjunction with Policy Area 3 of The Blueprint for Maryland's Future which was passed by the 2021 Maryland General Assembly session and now serves as the Maryland State Department of Education's driving force for making significant and lasting changes in its transformation to a world-class instructional system to improve the overall quality of education in Maryland. Policy Area 3 outlines the College and Career Readiness (CCR) standards which include the directive that Local Workforce Development Boards provide career readiness services to students in middle school.

Applicant: Tri-County Council Workforce Development  
Project: Returning citizens  
Amount: \$125,000

This project will provide Southern Maryland individuals who have been incarcerated the mentoring, training, services, and support they need to find jobs, establish career paths, and successfully reenter society. This proven concept was evaluated with positive results several years ago when we established a Calvert County reentry program at the detention center in Prince Frederick. We funded staff and equipment for space in the detention center to work with released individuals still in case management with the Department of Corrections to aid them

with the training and employment services needed to successfully reenter. When our federal Workforce Innovation and Opportunity Act (WIOA) funds were drastically cut for FY21, this work was placed on hold. Funding for this initiative will allow us to continue our operations in Calvert County and develop similar programs in Charles and St. Mary's Counties for two years. We will blend these funds with other state and federal funds to provide skills upgrades for eligible individuals, and will utilize SkillUp Southern Maryland, a training platform purchased by the Tri-County Council for Southern Maryland's Workforce Development Board that provides free access to over 5,000 courses from Skillsoft, a nationally recognized training provider of workplace, business, technical and IT courses. Returning citizens will be assisted in completing a self-assessment of their skills, identifying any skill gaps, and receiving training to remediate those gaps.

Applicant: College of Southern Maryland  
Project: Certiport Entrepreneurial Certification Program  
Amount: \$55,200

The College of Southern Maryland (CSM) is approved by Certiport to provide this training and administer the certification exam. Funding of \$55,200 from the Rural Maryland Economic Development Fund will enable 40 individuals over a two-year period to complete this training and become ESB certified. Entrepreneurship and Small Business (ESB) is a certification from Certiport, sponsored by Intuit and the Network for Teaching Entrepreneurship, which ensures tomorrow's leaders are prepared with the toolkit they need to get ahead in today's competitive landscape. Whether one is starting a bakery or launching the next billion-dollar startup, ESB validates a student's understanding of core business principles, including the essentials needed to launch and maintain a successful business. Candidates for ESB certification will be expected to have key conceptual knowledge of entrepreneurial and small business principles through at least 150 hours of instruction. It is not required for students to have real-world experience as a small business manager in order to take and pass the exam. Successful completion of this certification will validate the skills and knowledge for those students interested in working in a middle-skill trade profession as their own boss and those with entrepreneurship and small business career aspirations. Through Certiport's full pathway solution students can prepare for the ESB certification with tailored learning materials, practice tests, and a performance-based certification exam sponsored by Intuit and officially endorsed by The Network for Teaching Entrepreneurship (NFTE).

Application: Rural Agricultural Center  
Project: Equipment Purchase for Rural Agricultural Center  
Amount: \$1,401,200

The latest cost projections tabulated for RAC construction were tabulated in December, 2021 in time for the execution of the latest Memorandum of Understanding (MOU) between the TCC/SMADC and St. Mary's County.

The final construction estimate for the RAC is \$4.7 million inclusive of a 10% (\$470,000) contingency. Since that time according to Mortensen Non-Residential Buildings national average, construction costs inclusive of materials and labor, have increased as much as 16% in 2022. With the year-to-date inflation index hovering around the 9% mark, those construction increases show no indication of declining. (And certain costs, for instance steel materials, are posting increases near 100%.) Should the maximum amount of potential increase be factored into the 2023 construction costs for the RAC, a total cost increase of \$752,000 could be expected over the 2021 estimate. As there is already a \$500,000 contingency built into the current estimate, if construction were to take place in 2022, an additional \$252,000 in funds would be appropriate. As the construction will not commence until 2023, it

would be prudent and proactive to increase that amount and to assign additional funding up to a total of \$500,000 to the project. If the \$500,000 contingency were not required, all remaining funds from the allocation would be re-tasked to another RAC project, the Cold Storage. The Cold Storage project is currently funded with a \$200,000 grant from the State of Maryland to be of benefit to the produce farmers of Southern Maryland for product storage and aggregation. With construction costs of a Cold Storage facility running a current average of \$250 square foot, any money not used for RAC contingency would be utilized to expand the existing footprint.

The primary mission of the RAC is to provide world-class, state-of-the-art meat processing to the livestock producers of Southern Maryland. This list of equipment is inclusive of receiving USDA inspected carcasses from the local Westham Butcher Shop, methods in inhouse conveyance, cutting room equipment, grinders, sausage makers, smokers, warming boxes for charcuterie, kettles for scrapple and bone broths, sanitization equipment, scales, packaging equipment and more. Another essential RAC component is the Instructional/Commercial kitchen with cooking, holding, and freezing equipment necessary to support a growing cottage food industry requiring commercial standards, as well as a place to teach food creation.

Applicant: Rural Agricultural Center  
Project: New Generation Point of Sale software system  
Amount: \$35,000

One of the basic functions of the RAC is to market, aggregate, and distribute SMM products to a wider audience and expand its market penetration into convenience driven venues competitive with commercial foods. This proposed labeling and information system would provide the consumer in these new venues with state-of-the-art appealing graphics, and also vital information about this locally produced product. The consumer can literally get to know the farmer and processor, one of the necessities to support the

Buy Local movement. The proposed system will facilitate the following:

- Promote Quality Products: The origin and quality of fresh, locally sourced, meats are often hard to determine, causing consumers to discriminate solely on price. With this system, vendors can distinguish their products by telling the full story and allowing consumers to make more informed decisions.
- Increase Transparency: By storing information on the producers and foods at each step of the supply chain, consumers can be confident of the origins of their food. This system's tracking system allows consumers to quickly scan a product and learn about the producer, their farming practices, and how their food was handled and processed.
- Increase Food Safety: Foodborne illnesses continue to be a significant risk to the public and challenge to producers and processors. By tracking product origins and farming practices, this system allows for quick identification of the source of a foodborne pathogen so that unsafe products can be removed from the marketplace without destroying large amounts of safe products.

- Facilitate Transactions: This system allows players in the food chain to transact directly via smart contracts. Powered by the blockchain, this solution facilitates innovative contracts between all parties. Seller and buyers can both feel confident in transacting in a smoother and safer environment. This request for funding will be used to purchase the required touch screen computers, an automated weighing, wrapping and labeling station and purchase development and support from the maker of the FoodToken system described in this Proposal.

## **Regional projects - 4 projects**

Applicant: Tri-County Council  
Project: Southern Maryland Blue Catfish Feasibility Study  
Amount: \$75,000

Funding for feasibility study to determine if Blue Catfish harvest is a sustainable and competitive sector for southern Maryland that would contribute meaningfully to job creation, economic development, sustainable livelihoods and food security for the region and development market analysis and gap identification to support this venture.

Application: Tri-County Council  
 Project: Software purchase - Revista  
 Amount: \$7,700

Purchase a three-year subscription for three users (one for each county) to access Revista, a medical real estate software. Revista would allow the Southern Maryland region to gain a competitive advantage for a targeted industry by providing data that supports new business development, underwriting, portfolio maintenance and investment strategy. This software also allows the user to access medical needs by specialty area in their community. Funding this request would allow all three economic development offices to access this software for the length of the contract. Users can create reports to share with clients. **Cost Breakdown:**

· One region with 3 users is \$4,200 one year. · For 2 Years, \$3,500 year one and \$3,900 year two (\$1,000 savings) Total: \$7,400 two years · For 3 years, \$3,500 years one and two and \$3,900 year 3 (\$1,700 savings) Total: \$7,700 three years.

Application: Tri-County Council  
 Project: Agriculture & Aquaculture Infrastructure Gap Identification Study  
 Subject: \$75,000

Analytical asset mapping, infrastructure gap identification and market analysis to support agriculture and aquaculture value chain in St. Mary's, Calvert and Charles.

Application: Tri-County Council  
 Project: Bicycle Wayfinding Design  
 Amount: \$125,000

Feasibility Study \* Updated \* Plan, design, manufacture & install bike route and wayfinding signage for the St. Mary's, Calvert and Charles mapped routes.

## Upper Shore Rural Council

Cecil County	3 projects	\$ 2,863,000
Kent County	3 projects	\$ 2,863,000
Queen Anne's County	11 projects	\$ 2,863,000
Regional	8 projects	\$ 1,261,000
Administrative fee		\$ 150,000
Total		\$10,000,000

### Cecil County - 3 projects

Applicant: Cecil County Administration  
 Project: Belvidere Road Improvement Project



Amount: \$1,980,000

This is a major economic development project as Belvidere Road will become a main thoroughfare for trucks and employees servicing our largest commercial/light industrial hub that is Principio Business Park (1,600 acres). Belvidere Road traffic is expected to increase from 2,400 to 18,400 vehicles per day when the new interchange opens in 2025. This project will support existing and continued development of businesses on Belvidere Road and Rt 40, including, but not limited to, Principio Business Park. Also, the business park is served by a publicly accessible rail spur with potential for one or two additional spurs being built, which would increase traffic. This project will also reduce truck traffic volumes and improve service flow on Rt 222 and Rt 272, the interchanges to the west and east of the new Belvidere Road interchange.

Applicant: Cecil County Council

Project: Cecil County Farm Museum Regional Ag. Center

Amount: \$150,000

Facility located on the Cecil County School of Technology property. Partnership with the Cecil County School of Technology's culinary program. Culinary students will be involved in designing the kitchen, creating inventory lists for kitchen, and preparing meals and serving CCPS students participating in ag education programs at the CCFMRAG; CCFMRAG has a working partnership.

Applicant: The Paris Foundation

Project: Paris Foundation Community Center

Amount: \$733,000

Project Summary: The Paris Foundation has committed to building a 10,000 sq ft multipurpose community center in the heart of Cecil County's most impoverished neighborhood. Upon its completion, 300 families within walking distance, as well as those arriving by public and private transportation, will be able to enjoy a nightly community meal, receive free medical treatment, job training and placement, focused on a Food Service Industry Training Program: ServSafe Food handlers Certification Program, Life Skills, and Job Match link to area employers. The facility will consist of a commercial kitchen, buffet serving area, dining room, auditorium, classrooms, and conference rooms.

### **Kent County – 3 projects**

Applicant: Kent County Commissioners

Project: Worton Service District Water & Sewer Extension

Amount: \$1,532,000

The extension of water & sewer mains into the planned industrial zoned service area so can be utilized for business development. The proposed project will design and construct approximately 4,405 feet of 8 inch water main and 8 inch gravity sewer along Route 297 from the Humane Society location currently under construction to and along Mary Morris Road to the railroad crossing. A new wastewater pump station on Mary Morris Road will pump wastewater through a 4 inch force main back to the existing sewer system. The Worton wastewater treatment facility has a design capacity of 250,000 gallons per day and is operating at 70,000 gallons per day.

Applicant: Town of Millington

Project: Millington Wastewater Treatment Facility

Amount: \$1,081,000

Economic and Tourism Development have worked with many businesses and developers and many properties along US 301 have been under contract only to not make it to closing due to lack of infrastructure. Upgrading the Millington Wastewater Treatment Facility will enable the County and the Town of Millington the capacity to grow and expand current businesses and attract new businesses, as well as serve the current and new residents.

Applicant: Kent County

Project: Chestertown Business Campus

Amount: \$250,000

The infrastructure allows access to building sites for multiple speculative commercial and mixed-use buildings. The Dixon buildings have retained over 350 jobs in Kent County, and the spec spaces have the potential to create an estimated 400 new jobs.

This project is the best approach for a small rural area like Kent County the majority is privately funded and the combination of Dixon as the anchor business, and KRM Development experience of developing and managing business parks. The funds would be used to develop the next phase, which includes the main entrance from Maryland Route 213, and the Dixon Square roads. This public infrastructure is necessary to move forward with this phase of the project. Dixon Square and the Route 213 entrance roads will be dedicated to the Town once completed.

### **Queen Anne's County – 11 projects**

Applicant: Queen Anne's County

Project: QAC 4 H Park Infrastructure

Amount: \$1,200,000

The QA County 4-H Park and the proposed infrastructure improvements for the grounds support the mission, vision, and values stated in the QA County Economic Development 10-Year Strategic Plan. Proposed infrastructure improvements to the aging 4-H Park will sustain growth opportunities for agriculture, support the 1,000 plus farms and their economic value, serve as a meeting place for agriculture educational events and activities. Growing interest in agriculture sciences and agriculture related businesses is named as one of the highest opportunities for supporting the County's economic development.

Applicant: Queen Anne's County ED

Project: QA Strategic Asset & Industry Competitive Analysis Study

Amount: \$80,000

Queen Anne's County, Maryland is looking to engage a firm to assess sites for industrial development, site visit presentation review, and industry competitive analysis.

Applicant: Town of Centreville

Project: Centreville Wastewater Treatment Plant Upgrades

Amount: \$500,000

QA Comp plan states pushing growth towards municipalities; has 1 business park ready; can annex additional property for 1-2 business parks

Portions of the upgrade to the wastewater treatment plant will not be eligible for funding through MDE and Federal earmark funding is limited therefore the town is seeking a portion of the funding to modernize the wastewater system.

Applicant: Town of Church Hill  
Project: Cell Phone Tower Construction  
Amount: \$10,000

Town wants to erect at 195 foot cell tower on wastewater treatment plant property to enhance wireless communications including internet and broadband for Church Hill and surrounding areas. To improve and enhance wireless communications, including internet and broadband for the Town of Church Hill and surrounding areas. Will benefit commercial development.

Applicant: Queen Anne's County ED  
Project: Minority Entrepreneurship Training Accelerator  
Amount: \$75,000

META will be a 1-year, intensive business development and coaching program for Black and other minority sole proprietorships (SP) that will lead to the creation of fully formed LLCs equipped with tangible assets and a targeted microgrant to help fund future expansion on Maryland's Upper Eastern Shore.

Applicant: Chesapeake College  
Project: The Future Works Workforce Training  
Amount: \$141,599

Marine Trades Expand the College's marine trades program by purchasing additional equipment, adding new curriculum, and offering courses in collaboration with QACPS at a cost of \$100,000 Build an Advanced Manufacturing Technology (AMT) program to provide trained workers for Queen Anne's County businesses that already utilize AMT, like GROCO and PRS Guitars, and make AMT a reality for others.

Applicant: Queen Anne's Public School System  
Project: QAPS Career Awareness & Development Initiative  
Amount: \$600,000

The vision for the Office of Career and Technical Education of Queen Anne's County Public Schools to have a dedicated Career Center housed in both high schools. This office would be staffed by a Career Counselor whose position is solely dedicated to career awareness, guidance and career connections for our students. The Career Counselor would work with students, businesses and the Queen Anne's County CTE Liaison to establish meaningful and purposeful internships and apprenticeships that meet the needs of local workforce demand.

Applicant: Town of Sudlersville  
Project: Project Consultant  
Amount: \$100,000

To complement the work the county and town are doing to make economic prosperity for Sudlersville a reality, the town is proposing to contract with a consultant that will focus on economic development initiatives – creating a formal economic development strategy, ensuring their sustainable communities renewal plan gets implemented, ensuring the comp plan process is on track, acting as another resource to keep track of projects and connections that will help the town thrive, seeking appropriate funding opportunities and reporting on existing grants, working toward a placemaking initiative, etc. The town is also seeking funding for a consultant to complete a new comprehensive plan.

Applicant: Queen Anne’s County Government  
Project: CBBP Broadband Access  
Amount: \$71,201

Funding is being sought to cover the cost of construction to install underground fiber capable of providing uninterrupted service in any weather condition along a 1.89 mile path so service can be provided to any and all sites in the Chesapeake Bay Business Park.

Applicant: QAC Watermen Association  
Project: Oyster Shell Recovery & Spat Planting Program  
Amount: \$10,200

To purchase equipment and larvae for oyster restoration projects in Queen Anne’s County. We are investing in new techniques that are more cost effective and less reliant on oyster shells which are becoming more difficult to acquire.

Applicant: Queen Anne’s County Economic Development  
Project: Growing Agribusiness in QAC Feasibility Study  
Amount: \$75,000

An evaluation of current infrastructure, geographic and environmental considerations, and local, state & federal code and policy (planning, health department, taxes). Potential economic impact to the county. Short term actions (such as marketing) to highlight agribusiness. Long term potential solutions for challenges and barriers to the growth of agribusiness that exist. Partnering opportunities to promote agribusiness (for example, Parks, Main Street programs, Regional events, etc.)

## **Regional - 8 projects**

Applicant: Upper Shore Regional Council  
Project: USRC Business Mentoring Program  
Amount: \$50,000

The Upper Shore SCORE Chapter recently dissolved, due to demands of headquarters that volunteers must work 20 hours per week, can only meet with business start-ups via zoom, and must serve the entire state of Maryland. Our mentors have significant experience and are dedicated to assisting their local community and know firsthand their start-ups want in person assistance and coaching. Nine previous SCORE mentors have expressed an interest in

continuing to serve small business start-ups and entrepreneurs in the region. The program would be centralized on the Upper Shore Regional Council's website and have a page for each county to be tailored to the way business start-ups and entrepreneurs access assistance. Our economic development managers would work with the group to have quarterly meetings to ensure we are serving the targeted audience.

Applicant: Upper Shore Regional Council  
Project: USRC CEDS  
Amount: \$145,000

Create a strategy driven plan for regional economic development. The CEDS provides a vehicle for individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in the region. Work with EDA.

Applicant: Upper Shore WIB  
Project: Incumbent Worker Training - Upper Shore WIB  
Amount: \$134,000

We would fund 7-10 businesses in each county and work with the county's economic development departments for targeting employers looking to expand and retain and retrain their current workforce. Our outcomes would be measured by the type of business who is the recipient, its effect on the local economy, and the results of the incumbent worker training on their employees and the projected business growth.

The USWIB would measure training from the perspective: did it allow an incumbent get training to get promoted, did the training allow the company to expand their business, and did the training free up lower skill jobs that may be easier for the company to fill in this challenging job market. Additionally, did the IWT help the business expand into new areas or retain critical contracts.

Applicant: SWN  
Project: Business Workforce Innovation Program  
Amount: \$67,000

SWN proposes to utilize the Rural Economic Development Fund grant monies to prioritize support to business where existing programs and mechanisms are not the best avenue and/or mechanism to meet the need of the company and workers. Training strategies will include incumbent worker initiatives, work-based learning opportunities and On the Job training and other workforce development initiatives to assist the business and its employees.

Applicant: Chesapeake College  
Project: The Future Works Workforce Training  
Amount: \$200,000

Marine Trades - Expand the College's marine trades program by purchasing additional equipment, adding new curriculum, and offering courses in collaboration with QACPS & KCPS

Center for Innovation & Entrepreneurship (salary) Create a Center for Innovation and Entrepreneurship that will serve QA County & Kent County business owners, students—particularly in the skilled trades—and alumni both in-person and virtually with vetted small business management resources, professional growth, and workforce and leadership development. New Program Director in Advanced Manufacturing Tech (salary) Build an Advanced Manufacturing Technology (AMT) program to provide trained workers for QA County & Kent County businesses that already utilize AMT, like GROCO and PRS Guitars, and make AMT a reality for others.

Applicant: Cecil College  
 Project: Equipping a Marine Service Technology Classroom  
 Amount: \$100,000

Cecil College proposes to launch a marine service technology-training program to boost the workforce and support the needs of the industry in the region.

Applicant: Upper Shore Rural Council  
 Project: Marketing for Business Attraction  
 Amount: \$245,000

Marketing plan tied to counties' strategic plans and the regional strategic plan; Marketing plan tied to USRC Industry cluster study, QA asset study, and promotes the DataStory for each county; Marketing plan will have a regional component and individual county component. Marketing will be in print, digital, trade shows, billboard, television, etc

Applicant: Queen Anne's County ED - USRC  
 Project: USRC Career Technical Education Program  
 Amount: \$320,000

This proposed program addresses the middle-skills workforce shortage in the region by creating a comprehensive approach and building upon Project Bright Future. Hire a CTE liaison for each county (QA already has this position), building a skills network through collaboration with community colleges, businesses, and public schools, and build well-designed internships and apprenticeships. Increase awareness of middle skill opportunities by promoting the message that CTE gives students an economic advantage by being linked with high-paying, high-growth jobs. As the next step in Project Bright Future and with the continual support of the Upper Shore Regional Council, Queen Anne's County hired a CTE Liaison in June 2021. This position is located within their Department of Economic Development. Because of USRC support, QA County agreed to have the CTE Liaison cover both QA County and Kent County. This position has been wildly successful!

### **Tri County Council of Western Maryland**

Allegany County	5 projects	\$ 3,460,255
Garrett County	4 projects	\$ 3,272,855
Washington County	12 projects	\$ 3,216,880
Administrative expense		\$ 50,000

Total \$ 9,999,990

### **Allegany County - 5 projects**

Applicant: Cumberland Economic Development Corporation  
Project: 19 Frederick Street Renovation  
Amount: \$1,000,000

The building formerly known as 19 Frederick Street is located in the Central Business District Zoning District (CBD) of Cumberland, Maryland and has been underutilized since the Allegany County Human Resource Development Commission (HRDC) relocated to their newly constructed office building in 2010. The building consists of 17,000+/- square feet above grade (excluding basement) and stands near the center of downtown Cumberland on approximately one-third of an acre of land. The building is owned by the Mayor and City Council of Cumberland and is listed on the National Register of Historic Buildings. The building was originally designed and constructed as a U.S. Courthouse and Post Office in 1902 and has had several uses. The Mayor and City Council of Cumberland is requesting \$1,000,000 of funding to help renovate the building back to an occupiable state, and then market the building for resale/lease to the private sector.

Applicant: Allegany College of Maryland  
Project: Nursing Expansion and Enhancement to Meet the Needs of Western MD  
Amount: \$480,255

Funding would allow ACM to fully implement a weekend hybrid program to prepare RN-qualified nurses to enter the workforce to serve hospitals that are in dire need of qualified nurses. In addition, funding would support the enhancement of clinical simulation equipment at ACM and at the Garrett nursing education site.

Applicant: Allegany County Dept. of Economic and Community Development  
Project: Allegany County Tech Incubator  
Amount: \$100,000

Requesting funds to fully build out a scalable tech incubator, \$60,000 will cover the first two years of the lease of a building in downtown Frostburg. After this time, the incubator will be generating enough revenue to continue to pay for the maintenance and upkeep of its facilities. \$20,000 will cover the costs of building our additional IT infrastructure, which includes independent wireless access point coverage and multi-tenant server racks. \$20,000 will be earmarked for branding and marketing.

Applicant: Allegany County Commissioners, Economic & Community Development  
Project: Shovel Ready Pad Sites-Barton Business Park  
Amount: \$1,209,000

Summary: The Barton Business Park is located off of Route 220 South, in Cumberland, Maryland. The Park currently consists of 4 vacant lots, as well as a 40,000 SQ Ft. Shell Building. This building is being actively marketed and currently has numerous businesses interested in leasing or purchasing. Since the Shell Building was completed in 2018, the business landscape has changed. It has been determined that potential manufacturing businesses or developers would

rather have a shovel ready, or market ready site as opposed to an existing building. These prospective companies or developers would rather have something site so that they can build to suit, rather than have an existing building. Thus, the Allegany County Commissioners are seeking funding to make 3 of its remaining lots in the Barton Business Park shovel ready.

Applicant: Allegany County ED  
Project: Shovel ready pad site - Frostburg Industrial Park  
Amount: \$671,000

Existing industrial park, request to make four remaining lots shovel ready. The Frostburg Industrial Park has seen some major growth this past calendar year. We have seen a new 13,000 SQ Ft building be constructed that is the new home of Berkley Springs Instruments, as well as a 60,000 SQ Ft. addition built by Sierra Hygiene. This had led to both companies adding additional employment and has allowed them to expand their product and inventory offerings. To continue with this momentum, Allegany County is looking to make the remaining 4 lots at the Park shovel, or market ready.

#### **Garrett County - 4 Projects**

Applicant: Garrett County Government  
Project: Garrett Growers COOP  
Amount: \$70,000

Garrett Growers Cooperative is a group of vegetable farmers in Garrett County which sell local produce to restaurants, retail outlets and wholesale. As Garrett Growers increases production a major issue is keeping the produce cooled from harvest to delivery. Because of the weather, geography and topography of Garrett County, all the farms involved are considered "small," according to the National Agricultural Statistics Service. In particular, fresh produce farms tend to be less than 10 acres and are run by part-time farmers. These farms do not have the capacity to expand without the availability of cold storage and packing infrastructure. A shared use facility that provides food-safe areas for washing, drying, culling, packing, storing, and shipping with appropriate temperatures and humidity levels for many types of products would help local farm businesses expand and thrive. The facility could serve as a place for food processing innovations and experimentation that allows for economic food product development. To increase the efficiency of local food aggregation and distribution in the region, this project will renovate an existing facility to create a facility capable of offering space for larger-scale aggregation, washing, packing, cold storage, and distribution of fresh produce and other local food products. This facility will enhance the capacity of Garrett Growers to comply with food safety regulations, help local agribusinesses, including Amish and Mennonite farmers, access larger markets with modern food processing capabilities, and help regional food businesses access fresh local foods.

Applicant: Garrett County  
Project: Garrett County Shell Building  
Amount: \$2,906,855



This project for the Garrett County Shell Building will achieve job creation, leveraged private investment (for equipment and retrofits), reduce business costs, improve business and the community, with a new design and construction of a 100,000 square feet building allowing for business expansion and start-up. Garrett County Government has been contacted by businesses needing 100,000 square feet of building space proposed to be located at the Keyser's Ridge Business Park.

Applicant: Garrett County  
Project: Garrett County Public Utilities  
Amount: \$60,000

This project is for the development of "Garrett County Public Utilities-GIS Modeling," a county-wide digital water and sewer utility model to reduce costs, provide better service to households and businesses, and increase the efficiency of DPU repair and information requests. The digital model will be used to collaborate with the municipalities and service areas for updating the Water and Sewer Plan.

Applicant: Garrett College  
Project: CDL Training  
Amount: \$236,000

Continuing Education & Workforce Development, a division of Garrett College, operates a successful Class A and Class B Commercial Driver's License (CDL) program through its Mountaintop Truck Driving Institute (MTDI). During Fiscal Year 2022, students completing Class B training boasted a 100% pass rate in achieving their CDL, while Class A students achieved a 97% pass rate. The intent of this project is to build upon the solid foundation at MTDI by incorporating technology into the program. Simulation technology is becoming increasingly important in successful truck driving programs, providing students with a variety of experiences which can be mastered before ever getting behind the wheel and driving over-the-road. The simulation technology will also allow for the expansion of training opportunities to younger students, through dual enrollment with Garrett County Public Schools.

## **Washington County - 12 projects**

Applicant: Washington County Government  
Project: Strategic Planning and Economic Feasibility Study  
Amount: \$250,000

The Department of Business Development is requesting the use of \$250,000 from the Rural Maryland Economic Development Fund for the entire Strategic Planning and Feasibility Study Program/Project. Although we do not see any ongoing administrative costs for the initial study and subsequent report, we would potentially seek to use any remaining funds to invest in a marketing plan, changes of branding or identity, that could potentially be a result from such study.

Applicant: Town of Boonsboro  
Project: Boonsboro Reservoir  
Amount: \$100,000

Project entails replacing an aging, 68 year old structurally unsound drinking water impoundments, with a new reinforced, precast, and prestressed concrete split-tank reservoir, of equal capacity. Ultrasonic meter testing indicates the reservoir leaks approximately 6-9 million gallons of treated water, annually. Electrical resistivity testing, and a scuba dive survey, confirms a significant leak. Due to the age of the leak, structural damage is expected, and a complete replacement is necessary and an emergency priority. The reservoir is the Town's only pressure source. Structural failure would result in flooding, property damage, and loss of water and sewer service to 4,800 Maryland Residents.

Applicant: Town of Boonsboro  
Project: Volute Press  
Amount: \$250,000

Funding for this project will be used to install sludge dewatering facilities at the town's wastewater treatment plant. The project will allow the sludge generated by the plant to be dewatered and stored on-site, until it can be land applied as fertilizer. Currently, the liquid sludge is hauled to a different plant for dewatering/treatment - a costly process which accounts for nearly a quarter of the plant's annual budget. The town predicts a 68% reduction in annual operating costs for the plant as a result of moving biosolid removal on-site, which will lower rates for both businesses and households.

Applicant: Town of Smithsburg  
Project: Smithsburg Infrastructure Reports  
Amount: \$100,000

The Town of Smithsburg is requesting funding to help secure infrastructure reports needed to determine how future projects critical to the Town's growth be prioritized. Currently the Town lacks needed reports designed to help with determining faults in their aging water & sewer systems such as PERs and I&I studies, as well updating the CIP to direct leadership on how to prioritize needed repairs to the streets and overall infrastructure.

Applicant: Washington County Convention and Visitors Bureau  
Project: Washington County MD Visitors Welcome Center  
Amount: \$400,000

Seeking funds for the design of a new Visitors Welcome Center to include research, public engagement, engineering, permitting and construction documents.

Applicant: Washington County Community Action Council  
Project: Workforce Transportation  
Amount: \$355,000

Over the past several years, Washington County and Hagerstown in particular has seen a growth in warehouses being built with more in the planning stages. Due to the proximity to Interstates 70 & 81, Hagerstown is an ideal location for businesses to ship or build their products. This is great for economic growth in our jurisdiction. The jobs created for the development of the industrial parks as well as the jobs created (HVAC, plumbing, electrical) to provide services for these businesses. However, in order for these businesses to be successful and sustainable, they need a reliable workforce. These businesses create an opportunity for employment which is essential for the low income population CAC serves. This is a workforce that will spend their paychecks locally on rent, groceries, other essentials and entertainment. This is a tremendous benefit to the local economy. Therefore, providing transportation for the workforce supporting the millions of warehouse space will have a significant impact on the economic growth of Washington County.

Applicant: Woman of Valor Ministries  
Project: Xcel Launch  
Amount: \$55,890

The Xcel Launch Program is committed to helping people start, run, and grow their small businesses. ValorExcel and the EM Tobias Family Center have teamed up to launch a new shared business center located at 324 E. Antietam Street, Suite 204B in Hagerstown, Maryland, which offers shared space for an all-inclusive fee. It also provides business coaching, specialized training, and development services to ensure successful outcomes.

Applicant: The Town of Boonsboro  
Project: National Road Museum  
Amount: \$206,000

The Town of Boonsboro seeks the funding to improve infrastructure at the National Road Museum and increase marketing efforts of the Boonsboro EDC located on the Historic National Road Scenic Byway and adjacent to the Appalachian Trail, is positioned well to become a desired Main Street destination for visitors and home to new residents and businesses.

Applicant: Hagerstown Goodwill Industries DBA Horizon Goodwill  
Project: Homeless Workforce Pathway  
Amount: \$250,000

Horizon Goodwill Industries (HGI) has operated in the 3 Western Counties in Maryland offering workforce development services since 1955. In 2019, HGI broadened our service delivery beyond traditional workforce development programs to include services targeting disconnected youth, homeless youth, and homeless adults. The catalyst for this change was the recognition of the organization that many of the individuals that we were serving in workforce programs were lacking the ability to meet their basic needs which presented a barrier to engaging in job training and employment. In addition to providing these services in Maryland, Horizon Goodwill Industries is a

member of WV Balance of State and Virginia Continuum of Care providing homeless and workforce services in these states. In FY22 HGI served 196 homeless individuals in our housing and workforce programs, 144 of this individuals engaged in job training and placement services and became employed as a result. We continue to see an increase in homelessness in Washington County, by co-locating housing, case management, job training, and placement services we have seen increased success pathing homeless individuals to sustainable employment and stable housing.

Applicant: The City of Hagerstown  
Project: Zone 5 Water Storage Tank  
Amount: \$500,000

Phase 1 of a multi-phased project for land acquisition and development of planning, permitting, contract documents (design, bid, contract, etc.) for an elevated water storage tank to be constructed for fire protection to serve water pressure zone 5 and portions of water pressure zone 1. Tank design will also address water system pressure concerns for properties located at geographically higher elevations. Construction of the proposed potable water storage tank will allow for continued growth within Washington County. Properties to be served by this project are located in water pressure zone 5 and a portion of water pressure zone 1 located outside of the Hagerstown Municipal Boundary. Direct benefit to the City of Hagerstown at the completion of this project is limited to increases in revenues from the sale of water and wastewater as the area adds new customers to the water and wastewater systems. Indirect benefits to the City of Hagerstown include revenue from taxes associated with retail, hotel/motel, entertainment, etc. Washington County will benefit from all property tax revenue as well as revenue from retail sales, hotel/motel, entertainment, etc.

Applicant: Camp Ritchie Museum, Inc.  
Project: Fort Ritchie Historic District Rehabilitation Project  
Amount: \$500,000

Camp Ritchie Museum, Inc. at Historic Fort Ritchie is proposing a rehabilitation project that will bolster business development and tourism in Washington County. Fort Ritchie's iconic Barrick Avenue which contains 37 finger buildings used by both the Maryland National Guard and later the United States Army for the purpose of classrooms, administrative buildings and military intelligence training has the capacity to become its own Main Street Maryland community. Converting these vacant, nearly century old structures into a variety of shops, boutiques, restaurants, and overnight lodging, will encourage thousands to visit our region to enjoy our unique landscapes and history as well as support the growth of our regional economy. This rehabilitation project will additionally continue to revive the Cascade Community which saw a major reduction of workforce with the exit of the United States Army in 1998.

Applicant: Hagerstown Community College  
Project: Allied Health Workforce Development  
Amount: \$249,990

Hagerstown Community College will deliver technical assistance, training, and career placement assistance designed to align worker training with in-demand career fields in the

Transportation/Logistics and Allied Health sectors. Focus will be on under-represented populations in these key employment sectors, including women, justice-involved individuals, and English-language learners, seeking to upskill into high-demand and well-paid employment in two growing employment sectors: transportation/logistics and allied health. Primary focus will be on supporting economic development in Washington County by aligning job training with employers needs in the logistics, transportation and allied health sectors. A secondary focus will be on strengthening the regional transportation and logistics workforce in Western Maryland by developing a partnership with Allegany College of Maryland (ACM) to deliver a CDL-B and forklift operator “boot camp” training program in Allegany County, MD, that leads to licensing and employment

## Appendix B

P116Z230153

Jason Mullen

Chesapeake College

1000 College Circle

Wye Mills, MD 21679

P116Z230153

Tracy A Brinckerhoff  
Chesapeake College  
1000 College Circle  
Wye Mills, MD 21679



**US Department of Education  
Washington, D.C. 20202**

P116Z230153

**GRANT AWARD NOTIFICATION**

<b>1</b>	<b>RECIPIENT NAME</b>  Chesapeake College 1000 College Circle Wye Mills, MD 21679	<b>2</b>	<b>AWARD INFORMATION</b>  PR/AWARD NUMBER      P116Z230153 ACTION NUMBER        1 ACTION TYPE            New AWARD TYPE            Discretionary																										
<b>3</b>	<b>PROJECT STAFF</b>  <b>RECIPIENT PROJECT DIRECTOR</b> Jason Mullen                      (410) 827-5930 <a href="mailto:jmullen@chesapeake.edu">jmullen@chesapeake.edu</a> <b>EDUCATION PROGRAM CONTACT</b> Robyn Wood                        (202) 453-7744 <a href="mailto:robyn.wood@ed.gov">robyn.wood@ed.gov</a> <b>EDUCATION PAYMENT HOTLINE</b> G5 PAYEE HELPDESK      888-336-8930 <a href="mailto:obsseed@servicenowservices.com">obsseed@servicenowservices.com</a>	<b>4</b>	<b>PROJECT TITLE</b>  84.116Z Chesapeake College Workforce Training Expansion.																										
<b>5</b>	<b>KEY PERSONNEL</b>  <table border="0"> <thead> <tr> <th><u>NAME</u></th> <th><u>TITLE</u></th> <th><u>LEVEL OF EFFORT</u></th> </tr> </thead> <tbody> <tr> <td>Jason Mullen</td> <td>Project Director</td> <td>10 %</td> </tr> </tbody> </table>			<u>NAME</u>	<u>TITLE</u>	<u>LEVEL OF EFFORT</u>	Jason Mullen	Project Director	10 %																				
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**US Department of Education  
Washington, D.C. 20202**

P116Z230153

**GRANT AWARD NOTIFICATION**

**10**

PR/AWARD NUMBER: P116Z230153  
RECIPIENT NAME: Chesapeake College  
GRANTEE NAME: CHESAPEAKE COLLEGE  
1000 COLLEGE CIR,  
WYE MILLS, MD 21679 -  
PROGRAM INDIRECT COST TYPE: Unrestricted  
PROJECT INDIRECT COST RATE:

**TERMS AND CONDITIONS**

- (1) The Office of Management and Budget requires all Federal agencies to assign a Federal Award Identifying Number (FAIN) to each of their financial assistance awards. The PR/AWARD NUMBER identified in Block 2 is your FAIN. If subawards are permitted under this grant, and you choose to make subawards, you must document the assigned PR/AWARD NUMBER (FAIN) identified in Block 2 of this Grant Award Notification on each subaward made under this grant. The term subaward means:
  1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient. (See 2 CFR 200.331(a))
  2. The term does not include your procurement of property and services needed to carry out the project or program (The payments received for goods or services provided as a contractor are not Federal awards, see 2 CFR 200.501(f) of the OMB Uniform Guidance: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
  3. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract. (See 2 CFR 200.1)
- (2) THE FOLLOWING ITEMS ARE INCORPORATED IN THE GRANT AGREEMENT:
  - 1) THE RECIPIENT'S APPLICATION (BLOCK 2);
  - 2) THE APPLICABLE EDUCATION DEPARTMENT REGULATIONS, 2 CFR PART 180 AS ADOPTED IN 2 CFR 3485, AND 2 CFR PART 200 AS ADOPTED AT 2 CFR 3474 (BLOCK 8); AND
  - 3) THE SPECIAL TERMS AND CONDITIONS SHOWN AS ATTACHMENTS (BLOCK 8).

IN ACCORDANCE WITH 2 CFR 200.308(c)(2), CHANGES TO KEY PERSONNEL IDENTIFIED IN BLOCK 5 MUST RECEIVE PRIOR APPROVAL FROM THE DEPARTMENT.

THE RECIPIENT IS REQUIRED TO SUBMIT ALL NECESSARY REPORTS TO THE DEPARTMENT OF EDUCATION WITHIN 120 DAYS AFTER THE END OF FEDERAL SUPPORT (BLOCK 6).

- (3) Build America Buy America Sourcing Requirements Grant Condition  
Required Domestic Sourcing Under the Build America Buy America Act (BABAA):

Requirement: As a condition of this award, a grantee using grant funds for infrastructure projects or activities (e.g., construction, remodeling, and broadband infrastructure) must comply with the following requirements:

- (1) All iron and steel used in the infrastructure project or activity are produced in the United States. Accordingly, all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- (2) All manufactured products used in the infrastructure project or activity are produced in the United States. Accordingly, the manufactured product was manufactured in the United States and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.



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## GRANT AWARD NOTIFICATION

(3) All construction materials are manufactured in the United States. Accordingly, all manufacturing processes for the construction material occurred in the United States.

Scope: The Buy America domestic sourcing requirement only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. The requirement does not apply to

(1) tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project.

(2) equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

Waivers: Grantees may request waivers to the Buy America domestic sourcing requirements by submitting a Build America, Buy America Act Waiver Request Form. Pass-through entities may not approve waivers of the BABAA domestic sourcing requirements.

Records: As required under 2 CFR 200.334, a grantee must maintain financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to their infrastructure project for a period of three years from the date of submission of the final expenditure report, including all records related to the domestic sourcing of materials used in the infrastructure project(s) supported by this grant or the applicability of any agency-level waivers of the BABAA domestic sourcing requirements the grantee chooses to implement.

Contact: If you have questions about this grant condition, please contact your Education Program contact listed in box 3 of this grant award notification. For more information, see the Department of Education's Build America Buy America Waiver website at: <https://www2.ed.gov/policy/fund/guid/buy-america/index.html>.

- (4) Unless this grant solely funds research, you must comply with new regulations regarding awards to faith-based organizations (FBOs) that provide beneficiary services under this grant or under a contract you award to provide beneficiary services under this grant. These new regulations clarify the rights of FBOs and impose certain duties on FBOs regarding the referral of beneficiaries they serve. See 34 CFR 75.52, 75.712-75.714, appendix A to part 75, and 2 CFR 3474.15. The Department has established a web page that provides guidance on the new regulations, including FAQs and other implementation tools, which is available at <http://www2.ed.gov/policy/fund/reg/fbci-reg.html>. If you have any questions about these regulations, please contact the Education Program Contact identified in Block 3 of this GAN.
- (5) In accordance with 2 CFR 200.305(b), which applies to the Congressionally Funded Community Projects Program, grantees must minimize the time between drawing down funds from G5 and applying those funds to support the award's activities. Consistent with this requirement, grantees must maintain grant funds in interest-bearing accounts, and any interest earned on grant funds above \$500 must be returned to the Federal government. Therefore, the Department requires grantees to only draw down the minimum amount of grant funds necessary, where they are able to be applied immediately to the grant purposes, and to establish a distribution plan prior to drawing down grant funds.
- (6) Reimbursement of indirect costs is subject to the availability of funds and statutory and regulatory restrictions. The negotiated indirect cost rate agreement authorizes a non-Federal entity to draw down indirect costs from the grant awards. The following conditions apply to the below entities.

A. All entities (other than institutions of higher education (IHE))

The GAN for this grant award shows the indirect cost rate that applies on the date of the initial grant for this project. However, after the initial grant date, when a new indirect cost rate agreement is negotiated, the newly approved indirect cost rate supersedes the indirect cost rate shown on the GAN for the initial grant. This new indirect cost rate should be applied according to the period specified in the indirect cost rate agreement, unless expressly limited under EDGAR or program regulations. Any grant award with an approved budget can amend the budget to account for a change in the indirect cost rate. However, for a discretionary grant award any material changes to the budget which



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**GRANT AWARD NOTIFICATION**

may impact the scope or objectives of the grant must be discussed with the program officer at the Department. See 34 CFR 75.560 (d)(3) (ii) (part 75 of EDGAR).

**B. Institutions of higher education (IHE)**

Under 2 CFR part 200, Appendix III, Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), the Department must apply the negotiated indirect cost rate in effect on the date of the initial grant award to every budget period of the project, including all continuation grants made for this project. See 2 CFR Part 200, Appendix III, paragraph C.7. Therefore, the GAN for each continuation grant will show the original indirect cost rate and it applies to the entire period of performance of this project. If the indirect cost rate agreement that is applicable to this grant does not extend to the end of the grant's project period, the indirect cost rate set at the start of the project period must still be applied to the end of project period regardless of the fact that the rate has otherwise expired.

\_\_\_\_\_  
**AUTHORIZING OFFICIAL**

\_\_\_\_\_  
**DATE**

## EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION

**For Discretionary, Formula and Block Grants** (See Block 2 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient or name of the primary organizational unit that was identified in the application, state plan or other documents required to be submitted for funding by the grant program.
- 2. AWARD INFORMATION** - Unique items of information that identify this notification.
  - PR/AWARD NUMBER** - A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number." The PR/Award Number is also known as the Federal Award Identifying Number, or FAIN.
  - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
  - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
  - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK. If this award was made under a Research and Development grant program, the terms RESEARCH AND DEVELOPMENT will appear under DISCRETIONARY, FORMULA OR BLOCK.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
  - \*RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
  - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and business management concerns of the Department.
  - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 5.\* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
  - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
  - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
  - \*FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the Federal funds provided to a recipient during the award periods.
  - \*THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
  - \*BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
  - \*PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
  - RECIPIENT COST SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
  - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be required to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.
  - UEI** - The UEI, issued in SAM.gov, is a unique 12 character organization identifier assigned to each recipient for payment purposes.

\***REGULATIONS** - Title 2 of the Code of Federal Regulations(CFR), Part 200 as adopted at 2 CFR 3474; the applicable parts of the Education Department General Administrative Regulations (EDGAR), specific program regulations (if any), and other titles of the CFR that govern the award and administration of this grant.

\***ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.

**9. LEGISLATIVE AND FISCAL DATA** - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S. Department of Education fiscal information.

**FUND CODE, FUNDING YEAR, AWARD YEAR, ORG.CODE, PROJECT CODE, OBJECT CLASS -**

The fiscal information recorded by the U.S. Department of Education's Grants Management System (G5) to track obligations by award.

**AMOUNT** - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).

**10. TERMS AND CONDITIONS** - Requirements of the award that are binding on the recipient.

\***PARTICIPANT NUMBER** - The number of eligible participants the grantee is required to serve during the budget year.

\***GRANTEE NAME** - The entity name and address registered in the System for Award Management (SAM). This name and address is tied to the UEI registered in SAM under the name and address appearing in this field. This name, address and the associated UEI is what is displayed in the SAM Public Search.

\***PROGRAM INDIRECT COST TYPE** - The type of indirect cost permitted under the program (i.e. Restricted, Unrestricted, or Training).

\***PROJECT INDIRECT COST RATE** - The indirect cost rate applicable to this grant.

\***AUTHORIZING OFFICIAL** - The U.S. Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award

**FOR FORMULA AND BLOCK GRANTS ONLY:**

(See also Blocks 1, 2, 4, 6, 8, 9 and 10 above)

**3. PROJECT STAFF** - The U.S. Department of Education staff persons to be contacted for programmatic and payment questions.

**7. AUTHORIZED FUNDING**

**CURRENT AWARD AMOUNT** - The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.

**PREVIOUS CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant before this action.

**CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant, this action included.

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\* This item differs or does not appear on formula and block grants.

UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
& CHIEF INFORMATION OFFICER

Jason Mullen  
Chesapeake College  
1000 College Circle

Wye Mills, MD 21679

SUBJECT: Payee Verification for Grant Award P116Z230153

This is to inform you of the payee for the above listed grant award issued by the United States Department of Education

Grantee UEI: KL3SKCFEK2B7  
Grantee Name: CHESAPEAKE COLLEGE

Payee UEI: KL3SKCFEK2B7  
Payee Name: CHESAPEAKE COLLEGE

If any of the above information is not correct, please contact a Payee Customer Support Representative at 1-888-336-8930. Please send all the correspondence relating to the payee or bank information changes to the following address:

U.S. Department of Education  
550 12th Street, SW  
Room 6087  
Washington, DC 20202

Attn: Stephanie Barnes  
Phone: 202-245-8006

## SPECIFIC GRANT TERMS AND CONDITIONS FOR FINANCIAL AND PERFORMANCE REPORTS

### PERFORMANCE REPORTS:

**(1) FINAL REPORTS - ALL RECIPIENTS** are required to submit a final performance report within 120 days after the expiration or termination of grant support in accordance with submission instructions provided in box 10 of the Grant Award Notification (GAN), or through another notification provided by the Department of Education (Department) ([2 CFR § 200.329\(c\)](#)).

**(2) ANNUAL, QUARTERLY, or SEMIANNUAL REPORTS - ALL RECIPIENTS** of a multi-year discretionary award must submit an annual Grant Performance Report ([34 CFR § 75.118](#)). The annual performance report shall provide the most current performance and financial expenditure information that is sufficient to meet the reporting requirements of 2 CFR §§ [200.328](#), [200.329](#), and [34 CFR § 75.720](#).

Your education program contact will provide you with information about your performance report submissions, including the due date, as a grant term or condition in box 10 on the GAN, or through another notification provided by the Department. The grant term or condition in box 10 on the GAN or another notification may reflect any of the following:

1. That a performance report is due before the next budget period begins. The report should contain current performance and financial expenditure information for this grant. It will either identify the date the performance report is due or state that the Department will provide additional information about this report, including due date, at a later time.
2. That an interim performance report is required because of the nature of the award or because of statutory or regulatory provisions governing the program under which this award is made, and that the report is due more frequently than annually as indicated, e.g., due quarterly and submitted within 30 days after the end of each quarter, or due semiannually and submitted within 30 days after the end of each 6-month period ([2 CFR § 200.329\(c\)\(1\)](#)).
3. That other reports are required, e.g., program specific reports required in a program's statute or regulation.

### **(3) FINANCIAL REPORTS – SOME RECIPIENTS:**

If a financial report is required, your education program contact will provide you with information about your financial report submission, including the due date, as a grant term or condition in box 10 on the GAN, or through another notification.

A [Standard Form \(SF\) 425 Federal Financial Report \(FFR\)](#) is required if:

1. A grant involves cost sharing, and the ED 524B, which collects cost sharing information, is not submitted or a program-specific report approved by U.S. Office of Management and Budget (OMB) does not collect cost sharing information;
2. Program income was earned;

3. Indirect cost information is to be reported and the ED 524B was not used or a program-specific report approved by OMB does not collect indirect cost information;
4. Program regulations or statute require the submission of the FFR; or
5. Specific Award Conditions, or specific grant or subgrant conditions for designation of "high risk," were imposed in accordance with 2 C.F.R. part [200.208](#) and part [3474.10](#) and required the submission of the FFR.

If the FFR is required, the notification may indicate one of the following (see the form and its instructions at [Standard Form \(SF\) 425 Federal Financial Report \(FFR\)](#)):

1. Quarterly - FFRs are required for reporting periods ending on 12/31, 03/31, 06/30, 09/30, and are due within 30 days after each reporting period.
2. Semi-annual - FFRs are required for reporting periods ending on 03/31 and 09/30, and are due within 30 days after each reporting period.
3. Annual - FFRs are required for reporting period ending 09/30, and is due within 30 days after the reporting period.
4. Final - In coordination with the submission of final performance reports, FFRs are due within 120 days after the project or grant period end date (2 CFR [200.328](#)).

When completing an FFR for submission, the following must be noted:

1. *Multiple Grant Reporting Using SF 425A Prohibited:* While the FFR is a governmentwide form that is designed for single grant and multiple grant award reporting, the Department's policy is that multiple grant award reporting is not permitted for Department grants. Thus, a Department grantee that is required to submit an FFR in accordance with any of the above referenced selections must complete and submit one FFR for each of its grants. Do not use the FFR attachment (Standard Form 425A), which is available for reporting multiple grants, for reporting on Department grants. As such, references to multiple grant reporting and to the FFR attachment in items 2, 5 and 10 of the FFR are not applicable to Department grantees. With regards to item 1 of the note found in the FFR Instructions, a grantee must complete items 10(a) through 10(o) for each of its grants. The multiple award, multiple grant, and FFR attachment references found in items 2, 5, 6, before 10(a), in item 10(b), before 10(d), before 10(i) and before 10(l) of the Line Item Instructions for the FFR are not applicable to Department grants.
2. *Program Income:* Unless disallowed by statute or regulation, a grantee will complete item 10(m) or 10(n) in accordance with the options or combination of options as provided in 2 CFR Part [200.307](#). A grantee is permitted, in accordance with 2 CFR Part [200.307](#), to add program income to its Federal share to further eligible project or program objectives, use program income to finance the non-Federal share of the project or program; and deduct program income from the Federal share of the total project costs.
3. *Indirect Costs:* A grantee will complete item 11(a) by listing the indirect cost rate type identified on its indirect cost rate agreement, as approved by its cognizant agency for indirect costs.



A Department grantee that does not have an indirect cost rate agreement approved by its cognizant agency for indirect costs, and that is using the Department approved (beyond the 90-day temporary period) temporary indirect cost rate of 10% of budgeted direct salaries and wages, or the de minimis rate of 10% of modified total direct cost (MTDC) must list its indirect cost rate in 11(a) as a Department Temporary Rate or De Minimis Rate. The de minimis rate of 10% of MTDC consists of:

All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and contracts up to the first \$25,000 of each subaward (i.e., subgrant). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items, including contract costs in excess of \$25,000, may be excluded when necessary to avoid a serious inequity in the distribution of indirect costs (see definition of MTDC at [2 CFR § 200.1](#)).

A training program grantee whose recovery of indirect cost limits indirect cost recovery to 8% of MTDC or the grantees negotiated indirect cost rate, whichever is less in accordance with EDGAR § [75.562 \(c\)](#), must list its rate in 11(a) as a Department Training Grant Rate. The 8% limit does not apply to agencies of Indian tribal governments, local governments, and States<sup>1</sup> as defined in [2 CFR § 200.1](#)

A restricted program grantee must list its rate as a Restricted Indirect Cost Rate in 11(a). A restricted program (i.e., programs with statutory supplement-not-supplant requirements) grantee must utilize a restricted indirect cost rate negotiated with its cognizant agency for indirect costs, or may elect to utilize a restricted indirect cost rate of 8% MTDC if their negotiated restricted indirect cost rate calculated under 34 CFR [75.563](#) and [76.564 – 76.569](#), is not less than 8% MTDC. A State or local government<sup>2</sup> that is a restricted program grantee may not elect to utilize the 8% MTDC rate. Additionally, restricted program grantees may not utilize the de minimis rate, but may utilize the temporary rate until a restricted indirect cost rate is negotiated. If a restricted program grantee elects to utilize the temporary rate, it must list its rate as a Department Temporary Rate in 11(a).

Grantees with indirect cost rates prescribed in program statute or regulation must list their rate as a Rate Required in Program Statute or Regulation in 11(a). Grantees are required to follow program-specific statutory or regulatory requirements that mandate either indirect cost rate type or maximum administrative costs recovery.

For detailed information including restrictions related to temporary, de minimis, training, restricted, and program prescribed indirect cost rates see GAN ATTACHMENT 4.

4. *Supplemental Pages:* If grantees need additional space to report financial information, beyond what is available within the FFR, they should provide supplemental pages. These additional pages must indicate the following information at the top of each page: the PR/Award Number

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<sup>1</sup> Note that a State-funded institution of higher education is not considered a “State government” for these purposes; and a Tribal college or university funded by a federally-recognized Tribe is not considered a Tribe for these purposes.

<sup>2</sup> Note that a State-funded institution of higher education is not considered a “State government” for these purposes.

also known as the Federal Identifying Number or FAIN, recipient organization, Unique Entity Identifier, Employer Identification Number (EIN), and period covered by the report.

## AN OVERVIEW OF SINGLE AUDIT REQUIREMENTS OF STATES, LOCAL GOVERNMENTS, AND NONPROFIT ORGANIZATIONS

This GAN ATTACHMENT is **not** applicable to for-profit organizations. For-profit organizations comply with audit requirements specified in block 10 of their Grant Award Notification (GAN).

### Summary of Single Audit Requirements for States, Local Governments and Nonprofit Organizations:

1. Single Audit. A non-Federal entity (a State, local government, Indian tribe, Institution of Higher Education (IHE)<sup>1</sup>, or nonprofit organization) that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with 2 CFR 200.501, "Audit Requirements," except when it elects to have a program specific audit conducted.
2. Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding research and development (R&D)), and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.
3. Exemption when Federal awards expended are less than \$750,000. A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR 200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO). Generally, grant records must be maintained for a period of three years after the date of the final expenditure report ([2 CFR § 200.334](#))
4. Federally Funded Research and Development Centers (FFRDC). Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity.
5. Report Submission. To meet audit requirements of U.S. Office of Management and Budget (OMB) Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards (Uniform Guidance), grantees must submit all audit documents required by Uniform Guidance 2 CFR 200.512, including Form SF-SAC: Data Collection Form electronically to the Federal Audit Clearinghouse at:

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<sup>1</sup> As defined under the Higher Education Act of 1965, as amended (HEA) section 101.

<https://facides.census.gov/Account/Login.aspx>.

The audit must be completed, and the data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day. Unless restricted by Federal statutes or regulations, the auditee must make copies available for public inspection. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information. (2 CFR 200.512)

Grantees are strongly urged to obtain the "OMB Compliance Supplement" and to contact their cognizant agency for single audit technical assistance.

The designated cognizant agency for single audit purposes is "the Federal awarding agency that provides the predominant amount of direct funding to the recipient." Grantees should obtain a copy of the OMB Compliance supplement. This supplement will be instructive to both grantees and their auditors. Appendix III of the supplement provides a list of Federal Agency Contacts for Single Audits, including addresses, phone numbers, fax numbers, and e-mail addresses for technical assistance.

For single audit-related questions, if the U.S. Department of Education is the cognizant agency, grantees should contact the Non-Federal Audit Team in the Department's Office of Inspector General, at [oignon-federalaudit@ed.gov](mailto:oignon-federalaudit@ed.gov). Additional resources for single audits are also available on the Non-Federal Audit Team's website at <https://www2.ed.gov/about/offices/list/oig/nonfed/index.html>. For programmatic questions, grantees should contact the education program contact shown on the Department's GAN.

Grantees can obtain information on single audits from:

The OMB website at [www.omb.gov](http://www.omb.gov). Look under Office of Management and Budget (in right column) then click Office of Federal Financial Management (to obtain OMB Compliance Supplement). The SF-SAC: Data Collection Form can be found at the Federal Audit Clearinghouse at: <https://facides.census.gov/Files/2019-2021%20Checklist%20Instructions%20and%20Form.pdf>.

The American Institute of Certified Public Accountants (AICPA) has illustrative OMB Single Audit report examples that might be of interest to accountants, auditors, or financial staff at [www.aicpa.org](http://www.aicpa.org).

### REQUEST FOR APPROVAL OF PROGRAM INCOME

In projects that generate program income, the recipient calculates the amount of program income according to the guidance given in 2 CFR Part 200.307.

**\*\*\* IF YOU RECEIVED YOUR GRANT AWARD NOTIFICATION ELECTRONICALLY AND YOU ARE SUBJECT TO ANY OF THE RESTRICTIONS IDENTIFIED BELOW, THE RESTRICTION(S) WILL APPEAR IN BOX 10 ON YOUR GRANT AWARD NOTIFICATION AS A GRANT TERM OR CONDITION OF THE AWARD. \*\*\***

Unless checked below as NOT ALLOWED, the recipient may exercise any of the options or combination of options, as provided in 2 CFR Part 200.307, for using program income generated in the course of the recipient's authorized project activities:

Not Allowed Adding program income to funds committed to the project by the Secretary and recipient and using it to further eligible project or program objectives;

Not Allowed Using program income to finance the non-Federal share of the project or program;  
and

Not Allowed Deducting program income from the total allowable cost to determine the net allowable costs.

## **TRAFFICKING IN PERSONS**

The Department of Education adopts the requirements in the Code of Federal Regulations at 2 CFR [175](#) and incorporates those requirements into this grant through this condition. The grant condition specified in 2 CFR [175.15\(b\)](#) is incorporated into this grant with the following changes. Paragraphs a.2.ii.B and b.2. ii. are revised to read as follows:

“a.2.ii.B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

“b.2. ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85.”

Under this condition, the Secretary may terminate this grant without penalty for any violation of these provisions by the grantee, its employees, or its subrecipients.

**FEDERAL FUNDING ACCOUNTABILITY TRANSPARENCY ACT  
REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION**

The Federal Funding Accountability and Transparency Act (FFATA) is designed to increase transparency and improve the public's access to Federal government information. To this end, FFATA requires that Department of Education (Department) grant recipients:

1. Report **first-tier subawards** made under Federal grants that are funded at \$30,000 or more that meet the reporting conditions as set forth in this grant award term;
2. Report their executives' compensation for all new Federal grants that are funded at \$30,000 and that meet the reporting conditions as set forth in this grant award term; and
3. Report executive compensation data for their **first-tier subrecipients** that meet the reporting conditions as set forth in this grant award term.

For FFATA reporting purposes, the Department grant recipient is the entity listed in box 1 of the Grant Award Notification.

Only **first-tier subawards** made by the Department grant recipient to its **first-tier subrecipients** and the **first-tier subrecipients'** executive compensation are required to be reported in accordance with FFATA.

*Subaward, Subrecipient, Recipient, Total Compensation, Executives*, and other key terms, are defined within item 5, Definitions, of this grant award term.

This grant award term is issued in accordance with [2 CFR Part 170—Reporting Subaward And Executive Compensation Information](#).

**1. Reporting of First-tier Subawards -**

a. *Applicability and what to report.*

Unless you are exempt as provided item 4, Exemptions, of this grant award term, you must report each obligation that **equals or exceeds \$30,000** in Federal funds for a first-tier subaward to a non-Federal entity or Federal agency.

You must report the information about each obligating action that are specified in the submission instructions posted at [FSRS](#).

b. *Where and when to report.*

The Department grant recipient must report each obligating action described in paragraph **1.a.** of this award term to [FSRS](#).

Report subaward information no later than the end of the month following the month in which the subaward obligation was made. For example, if the obligation was made on November 7, 2020, the obligation must be reported by no later than December 31, 2020.

**2. Reporting Total Compensation of the Department's Grant Recipients' Executives -**

a. *Applicability and what to report.*

You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

- i The total Federal funding authorized to date under this Federal award **equals or exceeds \$30,000**;
- ii In the preceding fiscal year, you received—
  - A. 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at [2 CFR 170.320](#) (and subawards), **and**
  - B. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at [2 CFR 170.320](#) (and subawards); **and**,
  - C. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at [SEC Investor.gov Executive Compensation](#).)

b. *Where and when to report.*

You must report executive total compensation described in paragraph **2.a.** of this grant award term:

- i As part of your registration profile at [SAM.gov](#).
- ii By the end of the month following the month in which this award is made (for example, if the obligation was made on November 7, 2020 the executive compensation must be reported by no later than December 31, 2020), and annually thereafter.

**3. Reporting of Total Compensation of Subrecipient Executives –**

a. *Applicability and what to report.*

Unless you are exempt as provided in item 4, Exemptions, of this award term, for each first-tier **non-Federal entity** subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

- i In the subrecipient's preceding fiscal year, the subrecipient received—



- A. 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at [2 CFR 170.320](#) (and subawards), **and**
  - B. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at [2 CFR 170.320](#) (and subawards); **and**,
  - C. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at [SEC Investor.gov Executive Compensation](#).)
- b. *Where and when to report.*

You must report subrecipient executive total compensation described in paragraph **3.a.** of this grant award term:

- i. In [FSRS](#). You must include a condition on subawards that requires the subrecipients to timely report the information required under paragraph **3.a.** to you the prime awardee, or in the [SAM.gov](#). Subrecipient executive compensation entered in [SAM.gov](#) by the subrecipient will pre-populate in [FSRS](#), so you do not have to report when subrecipients enter this information in [SAM.gov](#). Subrecipient executive compensation not entered in [SAM.gov](#) by the subrecipient is reported in [FSRS](#) by you the Department grant recipient.
- ii. By the end of the month following the month during which you make the subaward. For example, if the subaward obligation was made on November 7, 2020 the subrecipient’s executive compensation must be reported by no later than December 31, 2020.

**4. Exemptions –**

- a. If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:
  - i. Subawards, and
  - ii. The total compensation of the five most highly compensated executives of any **subrecipient**.

**5. Definitions -**

- a. For purposes of this award term:
  - i. Federal *Agency* means a Federal agency as defined at [5 U.S.C. 551\(1\)](#) and further clarified by [5 U.S.C. 552\(f\)](#).
  - ii. Non-Federal *Entity* means all of the following, as defined in [2 CFR part 25](#):

A Governmental organization, which is a State, local government, or Indian tribe;

- A foreign public entity;
  - A domestic or foreign nonprofit organization; and,
  - A domestic or foreign for-profit organization
- iii. *Executive* means officers, managing partners, or any other employees in management positions.
- iv. *Obligation*, when used in connection with a non-Federal entity's utilization of funds under a Federal award, means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.
- v. *Subaward*:

This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

The term does not include your procurement of property and services (such as payments to a contractor, small purchase agreements, vendor agreements, and consultant agreements) that are needed for the benefit of the prime awardee to carry out the project or program (for further explanation, see [2 CFR 200.331](#)). For example, the following are not considered subawards:

*Cleaning Vendors*: Vendors that are hired by a grantee to clean its facility.

*Payroll Services Vendors*: Vendors that carryout payroll functions for the grantee.

*Information Technology Vendors*: Vendors that provide IT support to grant staff.

Payments to individuals that are beneficiaries of Federal programs are not considered subawards.

A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

- v. *Subrecipient* means a non-Federal entity or Federal agency that:

Receives a subaward from you (the recipient) under this award; and

Is accountable to you for the use of the Federal funds provided by the subaward.

In accordance with its subaward, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the Department prime awardee.

- vii. *Recipient* means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See also §200.69 Non-Federal entity.
- viii. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see [17 CFR 229.402\(c\)\(2\)](#)):

Salary and bonus.

Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization, or medical reimbursement plans that do not discriminate in favor of executives and are available generally to all salaried employees.

Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

Above-market earnings on deferred compensation which is not tax-qualified.

Other compensation, if the aggregate value of all such other compensation (e.g., severance, termination payments, value of life insurance paid on behalf of the employee, perquisites, or property) for the executive exceeds \$10,000.

**SPECIFIC CONDITIONS FOR DISCLOSING  
FEDERAL FUNDING IN PUBLIC ANNOUNCEMENTS**

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, U.S. Department of Education grantees shall clearly state:

- 1) the percentage of the total costs of the program or project which will be financed with Federal money;
- 2) the dollar amount of Federal funds for the project or program; and
- 3) the percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Recipients must comply with these conditions under Division H, Title V, Section 505 of Public Law 116-260, Consolidated Appropriations Act, 2021.

**PROHIBITION OF TEXT MESSAGING AND EMAILING WHILE DRIVING  
DURING OFFICIAL FEDERAL GRANT BUSINESS**

Federal grant recipients, sub recipients and their grant personnel are prohibited from text messaging while driving a government owned vehicle, or while driving their own privately-owned vehicle during official grant business, or from using government supplied electronic equipment to text message or email when driving.

Recipients must comply with these conditions under Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009.

## REGISTRATION OF UNIQUE ENTITY IDENTIFIER (UEI) NUMBER AND TAXPAYER IDENTIFICATION NUMBER (TIN) IN THE SYSTEM FOR AWARD MANAGEMENT (SAM)

The U.S. Department of Education (Department) Grants Management System (G5) disburses payments via the U.S. Department of Treasury (Treasury). The U.S. Treasury requires that we include your Tax Payer Identification Number (TIN) with each payment. Therefore, in order to do business with the Department you must have a registered Unique Entity Identifier (UEI) and TIN number with the SAM, the U.S. Federal Government's primary registrant database. If the payee UEI number is different than your grantee UEI number, both numbers must be registered in the SAM. Failure to do so will delay the receipt of payments from the Department.

A TIN is an identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. It is issued either by the Social Security Administration (SSA) or by the IRS. A Social Security number (SSN) is issued by the SSA whereas all other TINs are issued by the IRS.

The following are all considered [TINs according to the IRS](#).

- Social Security Number "SSN"
- Employer Identification Number "EIN"
- Individual Taxpayer Identification Number "ITIN"
- Taxpayer Identification Number for Pending U.S. Adoptions "ATIN"
- Preparer Taxpayer Identification Number "PTIN"

If your UEI number is not currently registered with the SAM, you can easily register by going to [www.sam.gov](http://www.sam.gov). Please allow 3-5 business days to complete the registration process. If you need a new TIN, please allow 2-5 weeks for your TIN to become active. If you need assistance during the registration process, you may contact the SAM Federal Service Desk at 866-606-8220.

If you are currently registered with SAM, you may not have to make any changes. However, please take the time to validate that the TIN associated with your UEI is correct.

If you have any questions or concerns, please contact the G5 Hotline at 888-336-8930.

## SYSTEM FOR AWARD MANAGEMENT AND UNIVERSAL IDENTIFIER REQUIREMENTS

### 1. Requirement for System for Award Management (SAM)

Unless you are exempted from this requirement under 2 CFR 25.110, you are, in accordance with your grant program's Notice Inviting Applications, required to maintain an active SAM registration with current information about your organization, including information on your immediate and highest level owner and subsidiaries, as well as on all predecessors that have been awarded a Federal contract or grant within the last three years, if applicable, at all times during which you have an active Federal award or an application or plan under consideration by a Federal awarding agency. To remain registered in the SAM database after your initial registration, you are required to review and update your information in the SAM database on an annual basis from the date of initial registration or subsequent updates to ensure it is current, accurate and complete.

### 2. Requirement for Unique Entity Identifier (UEI) Numbers

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that they may not receive a subaward from you unless they provided their UEI number to you.
2. May not make a subaward to a subrecipient when the subrecipient fails to provide its UEI number to you.

### 3. Definitions

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which a recipient must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM internet site (currently at <https://www.sam.gov>).
2. Unique Entity Identifier (UEI) means the identifier assigned by SAM registration to uniquely identify business entities.
3. Recipient means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See 2 CFR 200.86.
4. Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. See 2 CFR 200.92.

5. Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. See 2 CFR 200.93.



## KEY FINANCIAL MANAGEMENT REQUIREMENTS FOR DISCRETIONARY GRANTS AWARDED BY THE DEPARTMENT OF EDUCATION

The Department expects grantees to administer Department grants in accordance with generally accepted business practices, exercising prudent judgment so as to maintain proper stewardship of taxpayer dollars. This includes using fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds. In addition, grantees may use grant funds only for obligations incurred during the funding period.

Title 2 of the Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," establishes requirements for Federal awards made to non-Federal entities. The Education Department General Administrative Regulations in 34 CFR (EDGAR) 75, 76, 77, 79, 81, 82, 84, 86, 97, 98, and 99 contain additional requirements for administering discretionary grants made by this Department. The most recent version of these regulations may be accessed at the following URLs:

[The Education Department General Administrative Regulations \(EDGAR\)](#)

[2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

The information on page 2, "Selected Topics in Administering Department Discretionary Grants," highlights major administrative requirements of 2 CFR Part 200. In addition, a few of the topics discuss requirements that the Department imposes on its discretionary grantees under EDGAR, Part 75 (Direct Grants). The specific sections of 2 CFR Part 200 and of EDGAR that address the topics discussed are shown in parentheses. The Department urges grantees to read the full text of these and other topics in EDGAR and in 2 CFR Part 200.

Grantees are reminded that a particular grant might be subject to additional requirements of the authorizing statute for the program that awarded the grant and/or any regulations issued by the program office. Grantees should become familiar with those requirements as well, because program-specific requirements might differ from those in 2 CFR Part 200 and in EDGAR.

The Department recommends that the project director and the fiscal management staff of a grantee organization communicate frequently with each other about the grant budget. Doing so will help to assure that you use Federal funds only for those expenditures associated with activities that conform to the goals and objectives approved for the project.

Grantees may direct any questions regarding the topics discussed on page 2, "Selected Topics in Administering Department Discretionary Grants," or about any other aspect of administering your grant award to the Department program staff person named in Block 3 of the Grant Award Notification.

## SELECTED TOPICS IN ADMINISTERING DEPARTMENT DISCRETIONARY GRANTS

### I. Financial Management Systems (2 CFR Part 200.302)

In general, grantees are required to have financial management systems that:

- \* provide for accurate, current, and complete disclosure of results regarding the use of funds under grant projects;
- \* provide adequate source documentation for Federal and non-Federal funds used under grant projects;
- \* contain procedures to determine the allowability, allocability, and reasonableness of obligations and expenditures made by the grantee; and
- \* enable the grantee to maintain effective internal control and fund accountability procedures, e.g., requiring separation of functions so that the person who makes obligations for the grantee is not the same person who signs the checks to disburse the funds for those obligations.

State systems must account for funds in accordance with State laws and procedures that apply to the expenditure of and the accounting for a State's own funds. A State's procedures, as well as those of its subrecipients and cost-type contractors, must be sufficient to permit the preparation of reports that may be required under the award as well as provide the tracing of expenditures to a level adequate to establish that award funds have not been used in violation of any applicable statutory restrictions or prohibitions.

### II. Federal Payment (2 CFR Part 200.305)

Under this part --

- \* the Department pays grantees in advance of their expenditures if the grantee demonstrates a willingness and ability to minimize the time between the transfer of funds to the grantee and the disbursement of the funds by the grantee;
- \* grantees repay to the Federal government interest earned on advances; and
- \* grantees, generally, must maintain advance payments of Federal awards in interest bearing accounts.

In general, grantees should make payment requests frequently, only for small amounts sufficient to meet the cash needs of the immediate future.

The Department has recently encountered situations where grantees failed to request funds until long after the grantee actually expended its own funds for the costs of its grant. Grantees need to be aware that, by law, Federal funds are available for grantees to draw down for only a limited period of time, after which the funds revert to the U.S. Treasury. In some cases grantees have requested funds too late for the Department to be able to pay the grantees for legitimate costs incurred during their project periods.

The Department urges financial managers to regularly monitor requests for payment under their grants to assure that Federal funds are drawn from the Department G5 Payment System at the time those funds are needed for payments to vendors and employees.

### **III. Personnel (EDGAR §§ 75.511-75.519 and 2 CFR Part 200 Subpart D and E)**

The rules governing personnel costs are located in EDGAR Part 75 and 2 CFR Part 200 Subparts D and E. Part 75 covers issues such as paying consultants with grant funds, prohibiting dual compensation of staff, and waiving the requirement for a full-time project director. The rules clarifying changes in key project staff are located in 2 CFR Part 200.308 (c)(2). General rules governing reimbursement of salaries and compensation for staff working on grant projects are addressed in the cost principles in 2 CFR Part 200 Subpart D and E. In all cases, payments of any type to personnel must be supported by complete and accurate records of employee time and effort. For those employees that work on multiple functions or separately funded programs or projects, the grantee must also maintain time distribution records to support the allocation of employee salaries among each function and separately funded program or project.

### **IV. Cost Principles (2 CFR Part 200 Subpart E)**

All costs incurred under any grant are subject to the cost principles found in 2 CFR Part 200 Subpart E. The cost principles provide lists of selected items of allowable and unallowable costs, and must be used in determining the allowable costs of work performed under the grant.

### **V. Procurement Standards (2 CFR Part 200.317-327)**

Under 2 CFR Part 200.317, States are required to follow the procurement rules the States have established for purchases funded by non-Federal sources. When procuring goods and services for a grant's purposes, all other grantees may follow their own procurement procedures, but only to the extent that those procedures meet the minimum requirements for procurement specified in the regulations. These requirements include written competition procedures and codes of conduct for grantee staff, as well as requirements for cost and price analysis, record-keeping and contractor compliance with certain Federal laws and regulations. These regulations also require grantees to include certain conditions in contracts and subcontracts, as mandated by the regulations and statutes.

### **VI. Indirect Costs (EDGAR §§75.560-564 and 2 CFR Part 200.414)**

In addition to the information presented below, see GAN ATTACHMENT 4 for additional information including restrictions related to temporary, de minimis, training, restricted, and program prescribed indirect cost rates.

#### **A. Unrestricted Indirect Cost Rate**

To utilize an unrestricted indirect cost rate, a grantee must have an indirect cost agreement with its cognizant agency, submit an indirect cost rate proposal to its cognizant agency for indirect

costs (cognizant agency) within 90 days after the award of this grant or elect to utilize the de minimis rate under 2 CFR § 200.414(f) or the temporary indirect cost rate (subject to limitations described below).

The grantee must provide proof of its negotiated indirect cost rate agreement to the Department as soon as it has signed such an agreement with its cognizant agency.

#### B. Temporary Indirect Cost Rate

A grantee that does not have a current negotiated indirect cost rate agreement may recover indirect costs at a temporary rate, which is limited to 10% of budgeted direct salaries and wages (See 34 CFR § 75.560(c)); or it may choose not to charge indirect costs to the grant. The temporary rate can only be used for 90 days unless the exceptional circumstances apply under 34 CFR § 75.560(d)(2).

If the grantee has not submitted its indirect cost proposal to its cognizant agency within the 90-day period, it may no longer recover indirect costs utilizing the temporary indirect cost rate until it has negotiated an indirect cost rate agreement with its cognizant agency. Once a grantee obtains a federally recognized indirect cost rate that is applicable to this grant, the grantee may use that indirect cost rate to claim indirect cost reimbursement.

#### C. De minimis Indirect Cost Rate

Institutions of Higher Education (IHEs), federally-recognized Indian Tribes, State and Local Governments<sup>1</sup> receiving less than \$35 million in direct federal funding, and nonprofit organizations, if they do not have a current negotiated (including provisional) rate, and are not subject to the Department's training rate or restricted rate (supplement-not-supplant provisions) may elect to charge a de minimis indirect cost rate of 10% of modified total direct costs (MTDC). This rate may be used indefinitely.

MTDC consists of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and contracts up to the first \$25,000 of each subaward (i.e., subgrant). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items, including contract costs in excess of \$25,000, may be excluded when necessary to avoid a serious inequity in the distribution of indirect costs (see definition of MTDC at 2 CFR § 200.1).

Additionally, the de minimis rate may not be used by grantees that are subject to the Department's training indirect cost rate (34 CFR § 75.562) or restricted indirect cost rate. The de minimis rate may be used indefinitely. However, if a grantee chooses to use the de minimis rate to recover indirect costs, it must do so for all of its Federal awards until such time as the grantee negotiates an indirect cost rate with its cognizant agency. Once a grantee obtains a federally recognized indirect cost rate that is applicable to this grant, the grantee may use that indirect cost rate to claim indirect cost reimbursement.

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<sup>1</sup> Note that a State-funded institution of higher education is not considered a "State government" for these purposes.

D. Programs with a Supplement-not-supplant requirement (restricted indirect cost rate)

A restricted program (i.e., programs with statutory supplement-not-supplant requirements) grantee must utilize a restricted indirect cost rate negotiated with its cognizant agency for indirect costs, or may elect to utilize a restricted indirect cost rate of 8% MTDC if their negotiated restricted indirect cost rate calculated under 34 CFR 75.563 and 76.564 – 76.569, is not less than 8% MTDC. A State or local government<sup>2</sup> that is a restricted program grantee may not elect to utilize the 8% MTDC rate. Additionally, restricted program grantees may not utilize the de minimis rate, but may utilize the temporary rate until a restricted indirect cost rate is negotiated.

E. Training Grant Indirect Cost Rate

If the grantee is a training grant recipient and is not a State, local, or Tribal government<sup>3</sup>, the grantee must negotiate a rate under 34 CFR 75.562. This provision limits indirect cost recovery to 8% of modified total direct costs or the grantees negotiated indirect cost rate, whichever is less.

The recovery using the training grant indirect cost rate is subject to the following limitations:

- i. The lesser of the 8% indirect cost rate or negotiated indirect cost rate also applies to sub-awards that fund training.
- ii. The 8% limit does not apply to agencies of Indian tribal governments, local governments, and States as defined in 2 CFR § 200.1, respectively.
- iii. Indirect costs in excess of the 8% limit may not be charged directly, used to satisfy matching or cost-sharing requirements, or charged to another Federal award.
- iv. A grantee using the training rate of 8% is required to have documentation available for audit that shows that its negotiated indirect cost rate is at least 8%.

F. Program-Specific Indirect Cost Rate

Grantees are required to follow program-specific statutory or regulatory requirements that mandate either indirect cost rate type or maximum administrative costs recovery instead of the general requirements described here.

**VII. Audit Requirements (2 CFR Part 200 Subpart F)**

2 CFR 200 Subpart F requires that grantees that are non-Federal entities (a State, local government, Indian tribe, IHE, or nonprofit organization that carries out a Federal award as a recipient or subrecipient) obtain a non-Federal audit of their expenditures under their Federal grants if the grantee expends more than \$750,000 in Federal funds in one fiscal year. 2 CFR Part 200 Subpart F contains the requirements imposed on grantees for

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<sup>2</sup> Note that a State-funded institution of higher education is not considered a “State government” for these purposes.

<sup>3</sup> Note that a State-funded institution of higher education is not considered a “State government” for these purposes; and a Tribal college or university funded by a federally-recognized Tribe is not considered a Tribe for these purposes.

audits done in connection with the law.

The Department recommends hiring auditors who have specific experience in auditing Federal awards under the regulations and the Compliance Supplement.

**VIII. Other Considerations**

Some other topics of financial management covered in 2 CFR Part 200 that might affect particular grants include program income (2 CFR Part 200.307), cost sharing or matching (2 CFR Part 200.306), property management requirements for equipment and other capital expenditures (2 CFR Parts 200.313, 200.439).

## MEMORANDUM TO ED DISCRETIONARY GRANTEES

You are receiving this memorandum to remind you of Federal requirements, found in 2 CFR Part [200](#), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, regarding cash drawdowns under your grant account.

For any cash that you draw from your Department of Education (*the Department*) grant account, you must:

- draw down only as much cash as is necessary to meet the immediate needs of the grant project;
- keep to the minimum the time between drawing down the funds and paying them out for grant activities; and
- return to the Government the interest earned on grant funds deposited in interest-bearing bank accounts except for a small amount of interest earned each year that your entity is allowed to keep to reimburse itself for administrative expenses).

In order to meet these requirements, you are urged to:

- take into account the need to coordinate the timing of drawdowns with prior internal clearances (e.g., by boards, directors, or other officials) when projecting immediate cash needs so that funds drawn down from ED do not stay in a bank account for extended periods of time while waiting for approval;
- monitor the fiscal activity (drawdowns and payments) under your grant on a continuous basis;
- plan carefully for cash flow in your grant project during the budget period and review project cash requirements before each drawdown; and
- pay out grant funds for project activities as soon as it is practical to do so after receiving cash from the Department.

Keep in mind that the Department monitors cash drawdown activity for all grants. Department staff will contact grantees who appear to have drawn down excessive amounts of cash under one or more grants during the fiscal quarter to discuss the particular situation. For the purposes of drawdown monitoring, the Department will contact grantees who have drawn down 50% or more of the grant in the first quarter, 80% or more in the second quarter, and/or 100% of the cash in the third quarter of the budget period. However, even amounts less than these thresholds could still represent excessive drawdowns for your particular grant activities in any particular quarter. Grantees determined to have drawn down excessive cash will be required to return the excess funds to the Department, along with any associated earned interest, until such time as the money is legitimately needed to pay for grant activities. If you need assistance with returning funds and interest, please contact the Department's G5 Hotline by calling 1-888-336-8930.

Grantees that do not follow Federal cash management requirements and/or consistently appear on the Department's reports of excessive drawdowns could be:

- subjected to specific award conditions or designated as a "high-risk" grantee [2 CFR Part [200.208](#) and 2 CFR [3474.10](#)], which could mean being placed on a "cash-reimbursement" payment method (i.e., a grantee would experience the inconvenience of having to pay for grant activities with its own money and waiting to be reimbursed by the Department afterwards);

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**Revised 03/2021**

- subject to further corrective action;
- denied selection for funding on future ED grant applications [EDGAR [75.217\(d\)\(3\)\(ii\)](#)]; and/or
- debarred or suspended from receiving future Federal awards from any executive agency of the Federal government.

You are urged to read 2 CFR Part 200.[305](#) to learn more about Federal requirements related to grant payments and to determine how to apply these requirements to any subgrantees. You are urged to make copies of this memorandum and share it with all affected individuals within your organization.



## THE USE OF GRANT FUNDS FOR CONFERENCES AND MEETINGS

You are receiving this memorandum to remind you that grantees must take into account the following factors when considering the use of grant funds for conferences and meetings:

- Before deciding to use grant funds to attend or host a meeting or conference, a grantee should:
  - Ensure that attending or hosting a conference or meeting is consistent with its approved application and is reasonable and necessary to achieve the goals and objectives of the grant;
  - Ensure that the primary purpose of the meeting or conference is to disseminate technical information, (e.g., provide information on specific programmatic requirements, best practices in a particular field, or theoretical, empirical, or methodological advances made in a particular field; conduct training or professional development; plan/coordinate the work being done under the grant); and
  - Consider whether there are more effective or efficient alternatives that can accomplish the desired results at a lower cost, for example, using webinars or video conferencing.
- Grantees must follow all applicable statutory and regulatory requirements in determining whether costs are reasonable and necessary, especially the Cost Principles for Federal grants set out at 2 CFR Part 200 Subpart E of the, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” In particular, remember that:
  - Federal grant funds cannot be used to pay for alcoholic beverages; and
  - Federal grant funds cannot be used to pay for entertainment, which includes costs for amusement, diversion, and social activities.
- Grant funds may be used to pay for the costs of attending a conference. Specifically, Federal grant funds may be used to pay for conference fees and travel expenses (transportation, per diem, and lodging) of grantee employees, consultants, or experts to attend a conference or meeting if those expenses are reasonable and necessary to achieve the purposes of the grant.
  - When planning to use grant funds for attending a meeting or conference, grantees should consider how many people should attend the meeting or conference on their behalf. The number of attendees should be reasonable and necessary to accomplish the goals and objectives of the grant.
- A grantee hosting a meeting or conference may not use grant funds to pay for food for conference attendees unless doing so is necessary to accomplish legitimate meeting or conference business.
  - A working lunch is an example of a cost for food that might be allowable under a Federal grant if attendance at the lunch is needed to ensure the full participation by conference attendees in essential discussions and speeches concerning the purpose of the conference and to achieve the goals and objectives of the project.
- A meeting or conference hosted by a grantee and charged to a Department grant must not be promoted as a U.S. Department of Education conference. This means that the seal of the U.S. Department of Education must not be used on conference materials or signage without Department approval.

- All meeting or conference materials paid for with grant funds must include appropriate disclaimers, such as the following:
  - The contents of this (insert type of publication; e.g., book, report, film) were developed under a grant from the Department of Education. However, those contents do not necessarily represent the policy of the Department of Education, and you should not assume endorsement by the Federal Government.
- Grantees are strongly encouraged to contact their project officer with any questions or concerns about whether using grant funds for a meeting or conference is allowable prior to committing grant funds for such purposes.
  - A short conversation could help avoid a costly and embarrassing mistake.
- Grantees are responsible for the proper use of their grant awards and may have to repay funds to the Department if they violate the rules on the use of grant funds, including the rules for meeting- and conference-related expenses.

## MEMORANDUM TO REMIND DEPARTMENT OF EDUCATION GRANTEEES OF EXISTING CASH MANAGEMENT REQUIREMENTS CONCERNING PAYMENTS

The Department of Education (Department) requires that its grantees adhere to existing cash management requirements concerning payments and will ensure that their subgrantees are also aware of these policies by providing them relevant information. A grantee's failure to comply with cash management requirements may result in an improper payment determination by the Department in accordance with the [Payment Integrity Information Act \(PIIA\) of 2019](#).

There are three categories of payment requirements that apply to the drawdown of funds from grant accounts at the Department. The first two types of payments are subject to the requirements in the Treasury Department regulations implementing the Cash Management Improvement Act (CMIA) of 1990, 31 U.S.C.6513, and the third is subject to the requirements in the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) at 2 CFR part 200,<sup>1</sup> as follows:

1. Payments to a State under programs that are covered by a State's Treasury State Agreement (TSA);
2. Payments to States under programs that are not covered by a TSA; and
3. Payments to other non-Federal entities, including nonprofit organizations and local governments.

### CMIA Requirements Applicable to Programs included in a TSA

Generally, under the Treasury Department regulations implementing the CMIA, only major assistance programs (large-dollar programs meeting thresholds in 31 CFR § 205.5) are included in a State's written TSA. See 31 CFR § 205, subpart A. Programs included in a TSA must use approved funding techniques and both States and the Federal government are subject to interest liabilities for late payments. State interest liabilities accrue from the day federal funds are credited to a State account to the day the State pays out the federal funds for federal assistance program purposes. 31 CFR § 205.15. If a State makes a payment under a Federal assistance program before funds for that payment have been transferred to the State, Federal Government interest liabilities accrue from the date of the State payment until the Federal funds for that payment have been deposited to the State account. 31 CFR § 205.14.

### CMIA Requirements Applicable to Programs Not Included in a TSA

Payments to States under programs not covered by a State's TSA are subject to subpart B of Treasury's regulations in 31 CFR § 205. These regulations provide that a State must minimize the time between the drawdown of funds from the federal government and their disbursement for approved program activities. The timing and amount of funds transfers must be kept to a minimum and be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. 31 CFR § 205.33(a). States should exercise sound cash management in funds transfers to subgrantees.

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<sup>1</sup> The Department adopted the Uniform Guidance as regulations of the Department at 2 CFR part 3474.

Under subpart B, neither the States nor the Department owe interest to the other for late payments. 31 CFR § 205.33(b). However, if a State or a Federal agency is consistently late in making payments, Treasury can require the program to be included in the State's TSA. 31 CFR § 205.35.

### **Fund transfer requirements for grantees other than State governments and subgrantees**

The transfer of Federal program funds to grantees other than States and to subgrantees are subject to the payment and interest accrual requirements in the Uniform Guidance at 2 CFR § 200.305(b). These requirements are like those in subpart B of the Treasury Department regulations in 31 CFR part 205, requiring that "payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity." 2 CFR § 200.305(b) introduction.

The Federal Government and pass-through entities must make payments in advance of expenditures by grantees and subgrantees if these non-Federal entities maintain, or demonstrate the willingness to maintain, written procedures "that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability." 2 CFR § 200.305(b)(1). If a grantee or subgrantee cannot meet the criteria for advance payments, a Federal agency or pass-through entity can pay that entity through reimbursement. See 2 CFR § 200.305(b)(1) and (4) for more detailed description of the payment requirements and the standards for requiring that payments be made by reimbursement.

Non-Federal entities must maintain advance payments in interest bearing accounts unless certain conditions exist. See 2 CFR § 200.305(b)(8) for those conditions. The requirements regarding interest accrual and remittance follow:

Grantees and subgrantees must annually remit interest earned on federal advance payments except that interest earned amounts up to \$500 per year may be retained for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. 2 CFR § 200.305(b)(9)(i) and (ii).

1. When returning interest through ACH Direct Deposit or Fedwire, grantees must include the following in their return transaction:
  - PMS Account Number (PAN). NOTE: The PAN is the same series of alpha-numeric characters used for payment request purposes (e.g.: C1234G1).
  - PMS document number.
  - The reason for the return (e.g., interest, part interest part other, etc.).
  - An explanation stating that the refund is for interest payable to the Department of Health and Human Services, and the grant number(s) for which the interest was earned.
- a. U.S. Department of Education grantees are generally located and operate domestically and return interest domestically. Below is PSC ACH account information for interest returned

domestically. For international ACH interest returned, account information is available at: Returning Funds/Interest.

- PSC ACH Routing Number is: 051036706
  - PSC DFI Accounting Number: 303000
  - Bank Name: Credit Gateway - ACH Receiver
  - Location: St. Paul, MN
- b. Service charges may be incurred from a grantee's financial institution when a Fedwire to return interest is initiated. For FedWire returns, Fedwire account information is as follows:
- Fedwire Routing Number: 021030004
  - Agency Location Code (ALC): 75010501
  - Bank Name: Federal Reserve Bank
  - Treas NYC/Funds Transfer Division
  - Location: New York, NY
2. Interest may be returned by check using only the U.S. Postal Service; however, returning interest via check may take 4-6 weeks for processing before a check payment may be applied to the appropriate PMS account.
- a. Interests returned by check are to be mailed (USPS only) to:
- HHS Program Support Center  
PO Box 979132  
St. Louis, MO 63197
- A brief statement explaining the nature of the return must be included.
- b. To return interest on a grant not paid through the PMS, make the check payable to the Department of Health and Human Services, and include the following with the check:
- An explanation stating that the refund is for interest
  - The name of the awarding agency
  - The grant number(s) for which the interest was earned
  - The return should be made payable to: Department of Health and Human Services.
3. For detailed information about how to return interest, visit the PSC Returning Funds/Interest page at: [Returning Funds/Interest](#)

Grantees, including grantees that act as pass-through entities and subgrantees have other responsibilities regarding the use of Federal funds. For example, all grantees and subgrantees must have procedures for determining the allowability of costs for their awards. We highlight the following practices related to the oversight of subgrantee compliance with the financial management requirements in the Uniform Guidance that will assist State grantees (pass-through entities) in meeting their monitoring responsibilities. Under 2 CFR § 200.332, pass-through entities must –

1. Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
2. Monitor the performance and fiscal activities of the subrecipient to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

A small number of Department grant programs have program-specific cash management and payment requirements based on the authorizing legislation or program regulations. These program-specific requirements may supplement or override general cash management or payment requirements. If you have any questions about your specific grant, please contact the Education Program Contact listed in Block 3 of your Grant Award Notification.

**RECIPIENTS OF DEPARTMENT OF EDUCATION GRANTS AND COOPERATIVE AGREEMENTS  
FREQUENTLY ASKED QUESTIONS ON CASH MANAGEMENT**

**Q What are the Federal Laws and Regulations Regarding Payments to the States?**

**A** The *Cash Management Improvement Act of 1990 (CMIA)* establishes interest liabilities for the Federal and State governments when the Federal Government makes payments to the States. See 31 U.S.C. 3335 and 6503. The implementing regulations are in Title 31 of the Code of Federal Regulations (CFR), Part 205, [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title31/31cfr205\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title31/31cfr205_main_02.tpl). Non-Federal entities other than States follow the rules on Federal payments set out in 2 CFR 200.305.

**Q What is a Treasury-State Agreement (TSA)?**

**A** A TSA documents the accepted funding techniques and methods for calculating interest agreed upon by the U.S. Department of the Treasury (Treasury) and a State. It identifies the Federal assistance programs that are subject to interest liabilities under the CMIA. The CMIA regulations specify a number of different funding techniques that may be used by a State but a State can negotiate with the Treasury Department to establish a different funding technique for a particular program. A TSA is effective until terminated and, if a state does not have a TSA, payments to the State are subject to the default techniques in the regulations that Treasury determines are appropriate.

**Q What are the CMIA requirements for a program subject to a Treasury-State Agreement?**

**A** Payments to a State under a program of the Department are subject to the interest liability requirements of the CMIA if the program is included in the State's Treasury-State Agreement (TSA) with the Department of Treasury. If the Federal government is late in making a payment to a State, it owes interest to the State from the time the State spent its funds to pay for expenditure until the time the Federal government deposits funds to the State's account to pay for the expenditure. Conversely, if a State is late in making a payment under a program of the Department, the State owes interest to the Federal government from the time the Federal government deposited the funds to the State's account until the State uses those funds to make a payment. For more information, GAN Enclosure 4.

**Q What are the CMIA requirements for a program that is not subject to a Treasury-State Agreement?**

**A** If a program is not included in the State's TSA, neither the State nor the Federal government are liable for interest for making late payments. However, both the Federal government and the State must minimize the time elapsing between the date the State requests funds and the date that the funds are deposited to the State's accounts. The State is also required to minimize the time elapsed between the date it receives funds from the Federal government and the date it makes a payment under the program, Also, the Department must minimize the amount of funds transferred to a State to only that needed to meet the immediate cash needs of the State. The timing and amount of funds transferred must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs.

**Q What if there is no TSA?**

- A** When a State does not have a TSA in effect, default procedures in 31 CFR, part 205 that the Treasury Department determines appropriate apply. The default procedures will prescribe efficient funds transfer procedures consistent with State and Federal law and identify the covered Federal assistance programs and designated funding techniques.
- Q Who is responsible for Cash Management?**
- A** Grantees and subgrantees that receive grant funds under programs of the Department are responsible for maintaining internal controls regarding the management of Federal program funds under the Uniform Guidance in 2 CFR 200.302 and 200.303. In addition, grantees are responsible for ensuring that subgrantees are aware of the cash management and requirements in 2 CFR part 200, subpart D.
- Q Who is responsible for monitoring cash drawdowns to ensure compliance with cash management policies?**
- A** Recipients must monitor their own cash drawdowns **and** those of their subrecipients to assure substantial compliance to the standards of timing and amount of advances.
- Q How soon may I draw down funds from the G5 grants management system?**
- A** Grantees are required to minimize the amount of time between the drawdown and the expenditure of funds from their bank accounts. (See 2 CFR 200.305(b).) Funds must be drawn only to meet a grantee's immediate cash needs for each individual grant. The G5 screen displays the following message:
- By submitting this payment request, I certify to the best of my knowledge and belief that the request is based on true, complete, and accurate information. I further certify that the expenditures and disbursements made with these funds are for the purposes and objectives set forth in the applicable Federal award or program participation agreement, and that the organization on behalf of which this submission is being made is and will remain in compliance with the terms and conditions of that award or program participation agreement. I am aware that the provision of any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me, and the organization on behalf of which this submission is being made, to criminal, civil, or administrative penalties for fraud, false statements, false claims, or other violations. (U.S. Code Title 18, Section 1001; Title 20, Section 1097; and Title 31, Sections 3729-3730 and 3801-3812)**
- Q How may I use Federal funds?**
- A** Federal funds must be used as specified in the Grant Award Notification (GAN) and the approved application or State plan for allowable direct costs of the grant and an allocable portion of indirect costs, if authorized.
- Q What are the consequences to recipients/subrecipients for not complying with terms of the grant award?**
- A** If a recipient or subrecipient materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, including those in 2 CFR part 200, an assurance, the GAN, or elsewhere, the awarding agency may in accordance with 2 CFR 200.339 take one or more of the following actions:



1. Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity not in compliance.
3. Wholly or partly suspend or terminate the Federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal award agency regulations (or in the case of a pass-through be initiated by a Federal awarding agency).
5. Withhold further Federal awards for the project or program.
6. Take other remedies that may be legally available.

**Q Who is responsible for determining the amount of interest owed to the Federal government?**

**A** As set forth in 31 CFR 205.9, the method used to calculate and document interest liabilities is included in the State's TSA. A non-State entity must maintain advances of Federal funds in interest-bearing accounts unless certain limited circumstance apply and remit interest earned on those funds to the Department of Health and Human Services, Payment Management System annually. See 2 CFR 200.305.

**Q What information should accompany my interest payment?**

**A** In accordance with 2 CFR 200.305(b)(9), interest in excess of \$500.00 earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment.

For returning interest on Federal awards paid through PMS, the refund should:

- (a) Provide an explanation stating that the refund is for interest;
- (b) List the PMS Payee Account Number(s) (PANs);
- (c) List the Federal award number(s) for which the interest was earned; and
- (d) Make returns payable to: Department of Health and Human Services.

For returning interest on Federal awards not paid through PMS, the refund should:

- (a) Provide an explanation stating that the refund is for interest;
- (b) Include the name of the awarding agency;
- (c) List the Federal award number(s) for which the interest was earned; and
- (d) Make returns payable to: Department of Health and Human Services.

For additional information about returning interest see GAN ATTACHMENT 4.

**Q Are grant recipients/subrecipients automatically permitted to draw funds in advance of the time they need to disburse funds in order to liquidate obligations?**

**A** The payment requirements in 2 CFR 200.305(b) authorize a grantee or subgrantee to request funds in advance of expenditures if certain conditions are met. However, if those conditions are not met, the Department and a pass-through agency may place a payee on reimbursement.

**Q For formula grant programs such as ESEA Title I, for which States distribute funds to LEAs, may States choose to pay LEAs on a reimbursement basis?**

**A** A subgrantee must be paid in advance if it meets the standards for advance payments in 2 CFR 200.305(b)(1) but if the subgrantee cannot meet those standards, the State may put the subgrantee on reimbursement payment. See 2 CFR 200.305(b).

**Q Will the Department issue special procedures in advance if G5 plans to shut down for 3 days or more?**

**A** Yes, before any shutdown of G5 lasting three days or more, the Department issues special guidance for drawing down funds during the shut down. The guidance will include cash management improvement act procedures for States and certain State institutions of higher education and procedures for grants (including Pell grants) that are not subject to CMIA.