

# News Release

## Comptroller's Workgroup Hears Pandemic Relief Spending Exceeds \$62 Billion in Maryland

*State's economy has held up well thanks to stimulus checks, federal aid, but course correction looms*

ANNAPOLIS, Md. (May 20, 2021) – Today, Comptroller Peter Franchot convened the first meeting of the Comptroller's Workgroup on Pandemic Spending.

[More than \\$62 billion in federal and state pandemic relief funds has been spent so far in Maryland](#), State Deputy Budget Secretary Marc Nicole told the Workgroup. The largest buckets of aid – representing more than half the total amount – have gone towards direct stimulus payments, unemployment benefits and small businesses loans to keep workers on payroll.

“This unprecedented infusion of federal aid was critical in staving off an economic calamity and was a lifeline to millions of Marylanders who found themselves out of a job, on the verge of losing their homes, and struggling to put food on the table,” Comptroller Franchot said. “I believe these dramatic stimulus measures were necessary and, in many instances, my only objection was that more relief was not made available. Over the coming months, we will publicly and transparently for the first time review and account for how and where this money was spent.”

The federal government provided Maryland and local jurisdictions with almost \$24 billion in grant funding for education, relief for physicians and childcare providers, COVID tests and vaccinations, mortgage and rent assistance programs.

Nicole provided an overview of the state's Recovery Now Fund, which was paid for by a \$306 million transfer from Maryland's Rainy Day Fund. It supports 34 programs administered by 16 state agencies that provide money for hotel and restaurant grants, entertainment venues, rural broadband, food banks, \$1,000 payments to individuals with pending unemployment insurance claims and more.

Of the \$306 million, about \$178 million has been awarded, just under \$150 million has been disbursed, while about \$93 million – only 30 percent – has been expended to date.

The panel also heard from Andrew Schaufele, director of the Bureau of Revenue Estimates and a member of the workgroup, on the [impact that pandemic relief programs have had on Maryland's economy](#).

Initially, the economic shutdown during the early stages of the pandemic was predicted to have devastating consequences for the state's general fund – close to a \$4 billion revenue shortfall for fiscal year 2022. The infusion of federal aid, however, now has Maryland looking at a small uptick in revenue estimates for FY 2022, Schaufele explained.

He cautioned that while recent signs are encouraging with a white-hot real estate market and an economy springing back to life, the rule of economic physics – what goes up must come down – is bound to kick in at some point.

Comptroller Franchot formed the workgroup in April after the General Assembly tasked the agency with submitting quarterly reports on the distribution and expenditure of federal and state pandemic-related spending. In addition to performing a full inspection on the billions of dollars that flowed into and through state coffers, the panel will determine if funds were received by intended recipients most in need, examine disparities in distribution and look into possible cases of predatory fraud and pandemic profiteering.

“Over the next few months, this workgroup, along with experts from my agency, will conduct a series of meetings on a wide range of topics to better understand how much money came in, where the money went, and the impact of the dozens of programs, grants and loans that were established,” Comptroller Franchot said. “These relief payments were meant for the pockets of Marylanders and hard-hit small businesses, not the pockets of pandemic profiteers and fraudsters.”

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