Maryland Department of Housing and Community Development

Office of Statewide Broadband

Performance Report

Capital Projects Fund

2025 Report

Maryland
DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

CONNECT Maryland
High Speed Internet For A Better Future.

Maryland Department of Housing and Community Development

Office of Statewide Broadband

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Executive Summary

Established under the American Rescue Plan Act (ARPA), the Capital Projects Fund (CPF) equips states, territories, and Tribal governments to invest in capital projects that enable work, education, and health monitoring. Maryland is leveraging CPF primarily for broadband infrastructure—an eligible use alongside telehealth and remote learning—to extend reliable, high-speed connectivity to residents and community anchor institutions.

Funding Parameters

- Total Allocation: $171 million, inclusive of $5 million for administration.
- Eligible Uses: Broadband infrastructure and projects that support telehealth and remote learning.
- Timing: Funds obligated by 2024; projects completed by 2026.
- Targeting & Performance: Focus on unserved and underserved areas, with preference for solutions delivering ≥100/100 Mbps where feasible.

Connect All Maryland Initiative
To operationalize CPF, Maryland launched four complementary programs designed to meet diverse local needs and deployment scenarios:

- Maryland Network Infrastructure Program (MD-NI) — CPF GP-000142
- Broadband for Public Housing (BPH) — CPF GP-000270
- Connected Communities Grant Program (GAP) — CPF GP-000271
- Broadband for Difficult-to-Serve Premises (DSP) — CPF GP-000298

Administered by the Office of Statewide Broadband (OSB) within the Department of Housing and Community Development (DHCD), these programs employ a competitive, county-driven procurement model that incentivizes state, county, and ISP partnerships. OSB provides standardized, customizable procurement templates and processes; counties and ISPs collaborate with OSB to identify eligible project areas and define scopes for the construction, installation, and operation of broadband infrastructure. Each award requires matching investments from the selected broadband provider and/or awardee, maximizing CPF impact and local commitment.

Program Objectives

- Accelerate last-mile deployment to unserved and underserved locations through blended funding from the State, participating counties, and providers.
- Strengthen state–local coordination to jointly identify eligible areas and align project scopes with CPF requirements and county priorities.

- Enable county-level prioritization within competitive bids (e.g., geographic focus, digital skills goals, measurable adoption metrics) to ensure investments advance both access and meaningful use.

This portfolio approach positions Maryland to deliver durable, future-ready connectivity while advancing digital opportunity across every participating community.

Financial Summary

CPF ID	Subproject Name	Budget	Expenditures	Status
CPF GP-000142	Maryland Network Infrastructure Program (MD-NI)	$95,000,000	$24,930,985	Less than 50% complete
CPF GP-000270	Broadband for Public Housing Program (BPH)	$45,000,000	$78,386	Less than 50% complete
CPF GP-000271	Connected Communities Grant Program (GAP)	$2,000,000	$1,588,301	More than 75% complete
CPF GP-000298	Broadband for Difficult to Serve Premises (DSP)	$24,223,815	$271,269	Less than 50% complete

Program Information

Overview of Reporting Period

During the reporting period, Maryland initiated projects across all four Capital Projects Fund (CPF) programs and launched additional funding rounds for the Broadband for Public Housing (BPH) and Difficult-to-Serve Premises (DSP) programs.

Program-Wide Technical Standards

All CPF-funded projects must serve Proposed Funded Service Areas (PFSAs) lacking 100 Mbps download / 20 Mbps upload service. Funded networks are required to:

- Deliver ≥100/100 Mbps with ≤50 ms latency; where geography, topography, or technology prevents symmetric service, ≥100/20 Mbps is permissible.
- Be capable of providing the minimum performance to all subscribers within the PFSA.

Maryland Network Infrastructure (MD-NI) Grant Program

The Maryland Department of Housing and Community Development's (DHCD) Office of Statewide Broadband (OSB) prepared a grant program[1] to utilize the $95 million provided for the program. The MD-NI program is intended for Internet Service Providers (ISP's) and local jurisdictions interested in providing broadband service to unserved homes and businesses. OSB received 73 applications for over $200 million in funding in December 2022. In March 2023, DHCD awarded 35 projects to nine ISP's for $93,052,992. With the provided match, the grant funds were leveraged to $143,030,882 in total construction value to serve 14,488 unserved locations. Subsequently OSB awarded $1,946,900 to Verizon to complete a project bringing highspeed internet to Smith Island; totaling a total encumbrance of $94,999,892.

Broadband for Public Housing (BPH) Grant Program

OSB prepared a grant program to utilize the $45 million provided for the program. The BPH program was designed to merge both infrastructure and digital equity and inclusion efforts in low income, publicly owned housing developments. The program provides financial assistance to local jurisdictions to further the states digital access efforts. The grant funded projects focused on bringing highspeed internet to low income publicly owned housing that lack reliable broadband service at the unit. In May 2024, DHCD awarded 11 projects for $31,780,750. With the provided match, the grant funds were leveraged to $48,252,0036 in total construction value to reach 11,407 units and serve over 14,000 residents.

OSB continues coordination with the U.S. Treasury to deploy the remaining BPH funds and has introduced additional funding rounds during the reporting period.

Connected Communities Grant Program (GAP)

OSB prepared a grant program to utilize $2 million provided for the program. The GAP program is designed to assist local community based organizations, non-profits, and anchor institutions in creating Gap Networks and Community Networks. These networks are designed to address the affordability challenge many low to moderate income household's face in subscribing to the internet. OSB received 10 applications for $2 million in funding and projects were awarded to three organization's. The provided grant funds were leveraged to serve 873 families. Major work has been completed and projects are expected to end in July 2026.

Broadband for Difficult to Serve Premises (DSP) Grant Program

OSB prepared a grant program to utilize the $24 million provided for the program. The DSP program is intended for local county jurisdictions to assist with the capital construction costs related to the installation of broadband service to premises that have difficulty obtaining service due to their remoteness, distance from broadband infrastructure or other geographic issues that may discourage an ISP from delivering broadband service. OSB received 18 applications for over $19 million in funding in December 2023. In March 2024, DHCD awarded all projects to 18 jurisdictions for $19,629,100. With the provided match, the grant

funds were leveraged to $32,114,500 in total construction value to serve 2,400 unserved locations. OSB continues working with the U.S. Treasury to obligate and deploy remaining DSP balances, and introduced additional funding rounds during the reporting period.

Uses of Funds

Reporting Period Activities:

All grant programs were executed in accordance with the approved CPF Program Narrative. OSB established scoring and review criteria to:

- Prioritize fiber-optic deployments where feasible;
- Ensure equitable selection of PFSAs based on lack of qualifying broadband service;
- Require jurisdictional participation in planning and project scoping; and
- Promote affordability consistent with ACP eligibility standards.

MD-NI Program Grant Timeline and Awards

- Timeline: Round opened October 2022; applications due December 7, 2022; internal scoring and a formal challenge process (for 100/20 Mbps service designations) followed; awards issued March 30, 2023, consistent with the CPF schedule.
- Allocation & Standards: $95M dedicated to last-mile infrastructure capable of ≥100/100 Mbps (or ≥100/20 Mbps where geography/topography/excess cost precludes symmetry).
- Grant Design: Awards up to $4.5M each; required match 10–30% based on density. Actual matches ranged from 11% to 163% of the grant amount.
- Demand & Awards: 73 applications requesting $212,815,230; 36 awards totaling $94,499,892.

BPH Program Grant Timeline and Awards

- Allocation & Standards: $45M for broadband infrastructure serving publicly owned, low-income housing; target ≥100/100 Mbps (or ≥100/20 Mbps where constraints apply).
- Timeline (Round 1): NOFA released October 2023; application window Oct 12–Dec 15, 2023 (extended to Jan 15, 2024).
- Round 1 Outcomes: Undersubscribed; 2 of 8 applications funded for $16,629,208, upgrading infrastructure and enabling free Wi-Fi in common areas for 4,107 units serving 9,081 residents.
- Round 2 Outcomes: 7 additional applications received; cumulative 11 projects awarded; total encumbrance $31,780,750.

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GAP Program Grant Timeline and Awards

- Timeline: Awards issued March 30, 2023 following internal scoring; MOUs executed February 2024, consistent with CPF milestones.

- Equitable Funding Approach: Rather than traditional scoring, OSB applied CPF Digital Connectivity Technology Project criteria (documented performance/pricing, federal/state broadband data, user speed tests, and related evidence) to determine eligibility and prioritize distinct covered populations.
- Allocation & Standards: $2M for community/MDU deployments capable of ≥100/100 Mbps (or ≥100/20 Mbps where constraints apply).
- Demand & Awards: 43 applications requesting $8,492,993; 10 awards totaling $2,000,000.

DSP Program Grant Timeline and Awards

- Timeline: Round opened October 2023; applications due December 22, 2023; awards issued March 1, 2024, per CPF schedule.
- Allocation & Standards: $24M for construction to reach remote or otherwise challenging premises; target ≥100/100 Mbps (or ≥100/20 Mbps where constraints apply). Required 25% match; $8,000 maximum CPF contribution per unserved location.
- Demand & Awards: 18 applications requesting $19,629,100, supporting $32,114,500 in total construction and reaching 2,400 unserved homes.
- Balance Management: OSB plans to allocate the remaining ~$3M to expand PFSAs among awarded locations.

Ancillary Costs Incurred for Broadband Expansion Support:

As the majority of broadband expansion projects are just getting underway, no ancillary costs related to broadband expansion support have been incurred so far.

Sustainability and Subscriber Acquisition

As part of the grant application process, Internet Service Providers (ISPs) were required to outline their strategies for attracting subscribers to the newly constructed network. All applicant ISPs are already established providers in other parts of the state, with well-developed subscriber acquisition models. Consequently, we do not anticipate any direct costs associated with subscriber growth.

Promotion and Community Engagement

The Office of Strategic Broadband (OSB) and the Department of Housing and Community Development (DHCD) actively participate in ribbon-cutting ceremonies, local press interviews, and other events to promote the newly available network. These activities help raise awareness and attract subscribers to the new services.

Equity and Inclusion Programs

OSB also runs several equity and inclusion programs aimed at educating the public and providing funding for broadband services. These programs are funded by sources other than

Capital Projects Fund (CPF) funds, ensuring a broader reach and impact without relying on the CPF resources.

Promoting Equitable Outcomes

All Department of Housing and Community Development programs provide equitable and inclusive awareness to communities and eligible households. The versatility of our awareness and access ensure that all possible measures of distribution are accounted for.

DHCD has worked with ISPs on providing advertisements online and on TV, partnered with local community organizations to post flyers in their facilities and multi-dwelling units.

There are no administrative requirements that would result in the inability to complete applications. However, we ensure that the projects we are funding will be carried out by good stewards. Some of these requirements are: Recognized federal 501(c), Federal EIN, Registered Duns & SAM.gov number, and Good Standing certificates within Maryland.

Intended Outcomes

Maryland ranks highly in broadband availability and adoption compared to other states. However, its broadband infrastructure remains a work in progress, with no single solution meeting the needs of every community. Effective solutions vary based on the geographic, demographic, political, economic, and technological characteristics of each area.

Broadband service in Maryland is provided through a mix of private sector, public sector, and cooperative-owned networks, each offering varying levels of coverage. Consequently, the outcomes of broadband projects differ, but they all aim to ensure that every Maryland resident has access to reliable internet service.

Equity Related Outcomes

Our office's outcomes and goals are diverse, as we aim to maximize the impact of our projects in closing the digital divide. This divide exists between geographic areas with access to broadband speeds meeting or exceeding the latest FCC standards and those with access to speeds below these standards. Additionally, the divide includes households with the necessary digital skills, literacy, and perceived need to adopt and use broadband technologies, and those without these resources. Rural areas are particularly affected by both aspects of the digital divide.

In Maryland, approximately 5% of households lack access to broadband at the FCC's minimum speed standards, with rural counties such as Garrett, Somerset, and Dorchester being the most affected. These areas often face significant barriers due to sparse populations and challenging terrain, making infrastructure development costly and complex. Furthermore, about 20% of Maryland residents do not possess the digital literacy skills

needed to fully benefit from broadband access, which exacerbates the divide.

To better understand and address digital equity concerns in unserved areas of Maryland, our office will leverage the demographic data provided in the applications. This data will help identify specific communities that are most in need of support. By focusing on both infrastructure and education, we aim to create comprehensive solutions that bridge the digital divide, ensuring all Maryland residents can participate in the digital economy and access essential services.

Labor

Maryland project awardees are strictly prohibited from discriminating against any person based on race, color, religion, ancestry, creed, national origin, sex, marital status, physical or mental handicap, sexual orientation, or age in any aspect of their operations. This mandate aligns with the state's commitment to uphold the principles of equal opportunity in employment. All awardees are required to comply with applicable federal, state, and local laws regarding discrimination and equal opportunity in employment. These measures ensure that workforce practices are fair, inclusive, and non-discriminatory, promoting a diverse and equitable workplace. In addition, all awardees, contractors, and subcontractors working on the infrastructure must abide by both the Maryland Wage Payment and Collection Law as well as the Maryland Wage and Hour Law. The Maryland Wage and Hour Law is similar to the federal Fair Labor Standards Act (FLSA) but contains some important differences.

1. **Maryland Wage Payment and Collection Law**:
    - This law ensures that employees receive timely and full payment for their work. It outlines the rights of employees to receive their wages and the responsibilities of employers to pay those wages promptly and accurately.

2. **Maryland Wage and Hour Law**:

    - Similar to the federal Fair Labor Standards Act (FLSA), this law sets standards for minimum wage, overtime pay, and recordkeeping. However, it also contains important differences that may provide greater protections for workers in Maryland.

    - For example, Maryland’s minimum wage rates and overtime provisions may differ from federal standards, ensuring that workers receive fair compensation for their labor.

Maryland encourages local hiring practices to maximize employment opportunities for residents. By prioritizing local workers, these initiatives support the local economy, reduce unemployment, and foster community investment in infrastructure projects. Maryland’s labor laws and workforce practices are designed to align with federal standards and support the objectives of federal programs. The state's robust legal framework ensures that projects are carried out ethically, with strong protections for workers' rights and fair compensation

practices. These measures not only promote high-quality infrastructure development but also contribute to the state's economic recovery by creating employment opportunities and fostering a skilled, well- compensated workforce.

By implementing these comprehensive labor standards and practices, Maryland ensures that its broadband infrastructure and multi-purpose community facility projects are completed efficiently, to high standards, and in a manner that supports the well-being and economic prosperity of its workers and communities.

Community Engagement

The Maryland Office of Strategic Broadband (OSB) actively incorporates feedback from communities, organizations, and constituents in the selection and implementation of Capital Projects Fund Projects. This process involves several key steps and activities:

1. **Quarterly Meetings with Jurisdictional Partners**:
    - OSB holds quarterly public meetings with jurisdictional partners to discuss ongoing and future programs.
    - Jurisdictions are encouraged to provide comments and suggestions, which are then reviewed and integrated into the programs where possible.
    - These meetings serve as a continuous feedback loop, allowing for real-time adjustments and improvements to our initiatives.
2. **Presentations at Public Forums**:
    - OSB presents at forums such as the Maryland Association of County Officials (MACO) and the Maryland Economic Development Association (MEDA).
    - During these events, OSB shares detailed program information and addresses questions from attendees, incorporating their feedback into program planning and execution.
3. **Jurisdictional Public Meetings**:
    - Upon invitation, OSB attends various jurisdictional public meetings to provide program updates and gather feedback directly from community members.
    - This face-to-face interaction ensures that community voices are heard and considered in decision-making processes.

Addressing Feedback During Project Construction and Implementation

1. **Community Support in CPF Programs**:
    - All CPF funded programs place a strong emphasis on local jurisdiction

and public participation.

- Applicants must present their projects to local jurisdictions and the public, securing letters of support and financial backing from the community. This process ensures that projects have grassroots support and align with community needs.
- Feedback is systematically collected and incorporated into project plans to enhance community alignment.

2. **Outreach and Affordability Plans**:
   - Applicants provide detailed descriptions of their new subscriber outreach and Affordable Connectivity Program (ACP) outreach plans.
   - Affordability and adoption assistance are evaluated based on low-cost offering speeds and comprehensive adoption planning.
   - These plans are designed with community feedback in mind, ensuring that projects address affordability concerns and promote broadband adoption.

Quantitative Community Engagement Activities

1. **Engagement with Organizations**:
   - OSB collaborates with various organizations, including training providers, community colleges, libraries, churches, and community-based groups.
   - Specific organizations engaged include are identified on page 13.
   - These partnerships facilitate the implementation and operation of projects, leveraging local expertise and resources.
2. **Outreach, Advertising, and Translation Services**:
   - Extensive outreach and advertising efforts are deployed to reach targeted communities.
   - Materials and communications are translated into multiple languages to accommodate people with limited English proficiency, ensuring inclusivity.
   - Translation services, and outreach strategies are tailored to solicit feedback from underserved communities effectively.
3. **Capacity Building for Community Organizations**:
   - Funds are allocated to build the capacity of community organizations to serve individuals facing significant barriers to services, including people

of color, low- income populations, and those with limited English proficiency.

- This support enhances the ability of these organizations to engage with and assist traditionally unserved or underserved groups.

Plans for Sustaining and Enhancing Community Engagement

1. **Continuous Improvement and Growth**:
    - OSB is committed to sustaining, improving, and growing community engagement efforts in the subsequent performance year.
    - Future plans include expanding outreach activities, increasing the number of community forums, and enhancing translation services to better serve diverse populations.
    - OSB will continue to monitor and incorporate feedback from all stakeholders, ensuring that projects remain responsive to community needs and priorities.

Through these comprehensive community engagement efforts, OSB ensures that feedback from communities, organizations, and constituents is integral to the selection, construction, and implementation of Capital Projects Fund Projects. This approach fosters transparency, inclusivity, and responsiveness, ultimately leading to more effective and community-aligned broadband initiatives.