



Committee: Joint
Committee Review: At a future date
Staff: Craig Howard, Deputy Director
Purpose: To introduce agenda item – no vote expected

AGENDA ITEM #4
January 16, 2023
Public Hearing

SUBJECT

Supplemental Appropriation #24-30 to the FY24 Operating Budget, Montgomery County Government, Office of Emergency Management and Homeland Security COVID-19 FEMA Contract Support, \$300,000 (Source of Funds: General Fund Undesignated Reserves)

EXPECTED ATTENDEES

None

DESCRIPTION/ISSUE

The Council will hold a public hearing on a supplemental appropriation to the FY24 Operating Budget, Montgomery County Government, Office of Emergency Management and Homeland Security (OEMHS) COVID-19 FEMA Contract Support, \$300,000. The County Executive transmitted this supplemental appropriation request on November 3, 2023, and the Council introduced it on November 28, 2023. The source of funds is General Fund Undesignated Reserves.

SUMMARY OF KEY DISCUSSION POINTS

- **Background.** The County has been using contractual support to assist OEMHS is applying for reimbursement from FEMA for eligible COVID-19 related expenditures. OEMHS' FY24 budget did not include funding for these contractual expenses. In FY23, the Executive recommended and the Council approved a supplemental appropriation for \$425,000 for this same purpose.
- **Request.** The Executive states that this appropriation will fund contractual services to include reviewing and compiling documents, working with departments on writing justifications for expenses, and reviewing expenses with FEMA. The Executive also notes that the \$300,000 requested will be fully eligible for reimbursement by FEMA. To date, OEMHS has submitted \$986,828 in contractor costs to FEMA for reimbursement and has received \$610,090.
- **Fiscal Impact.** The recommended supplemental appropriation is funded by General Fund reserves. This appropriation was assumed in the FY24 total expenditures for County Government provided as part of the [December Fiscal Update](#). As a result, approving this appropriation would not impact the 16.5% FY24 year-end reserves projected in December. This appropriation is for a one-time expenditure and therefore will not have a fiscal impact in future fiscal years. As noted above it is likely that this expenditure will be later reimbursed by FEMA (but the reimbursement may not occur in the same fiscal year).
- **Racial Equity Impact Assessment.** The Office of Racial Equity and Social Justice (ORESJ) finds that there is insufficient detail from which to conduct a racial equity analysis or draw conclusions about potential racial equity impacts. This finding aligns with ORESJ's conclusions on prior supplemental appropriations for the same purpose.

- **Next Steps.** This recommended supplemental appropriation is scheduled for a joint Government Operations and Fiscal Policy/Public Safety Committee worksession on January 22, 2024.

This report contains:

Executive transmittal memo (November 3, 2023)	©1-2
Draft Resolution	©3-4
Racial Equity Impact Assessment	©5-6

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

November 3, 2023

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Supplemental Appropriation #24-30 to the FY24 Operating Budget
Montgomery County Government
Office of Emergency Management and Homeland Security
COVID-19 FEMA Contract Support, \$300,000

I am recommending a supplemental appropriation to the FY24 Operating Budget of the Office of Emergency Management and Homeland Security (OEMHS) in the amount of \$300,000 for COVID-19 FEMA Operating Support. This appropriation will fund the costs of contractors working on the County's COVID-19 FEMA public assistance reimbursement.

This increase is needed because OEMHS continues to manage the County's COVID-19 FEMA Public Assistance reimbursement process. OEMHS uses contractors to assist with this work, which includes reviewing and compiling documents, working with departments on writing justifications for expenses, and reviewing expenses with FEMA. OEMHS has no funding in its budget allocated for these costs, and these costs are fully reimbursable by FEMA. OEMHS has submitted for reimbursement of \$986,828 in contractor costs, and the County has received \$610,090 in reimbursement thus far.

County staff, along with contract support, are currently reviewing \$93 million in potentially eligible costs to determine what to submit for reimbursement. So far, we have submitted \$207.1 million for reimbursement and received \$69.68 million. This supplemental funding request will provide the additional contractor support needed to ensure eligible costs are submitted.

I recommend that the County Council approve this supplemental appropriation in the amount of \$300,000 and specify the source of funds as General Fund Undesignated Reserves. This supplemental will reduce County General Fund Undesignated Reserves by \$300,000 and is

Supplemental Appropriation #24-30 to the FY24 Operating Budget
COVID-19 FEMA Contract Support
November 3, 2023
Page 2 of 2

consistent with the fund balance policy for tax supported reserves. These costs are expected to be fully reimbursable by FEMA.

I appreciate your prompt consideration of this action.

ME:msg

Enclosure: Supplemental Appropriation #24-30

cc: Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Earl Stoddard, Assistant Chief Administrative Officer, Office of the County Executive
Jennifer R. Bryant, Director, Office of Management and Budget
Luke Hodgson, Director, Office of Emergency Management and Homeland Security

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #24-30 to the FY24 Operating Budget
Montgomery County Government
Office of Emergency Management and Homeland Security
COVID-19 FEMA Contract Support, \$300,000.00 (Source of Funds: General Fund
Undesignated Reserves)

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY24 Operating Budget appropriation increases for the Office of Emergency Management and Homeland Security:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$300,000	\$300,000	General Fund Undesignated Reserves

3. This increase is needed because the Office of Emergency Management and Homeland Security (OEMHS) continues to manage the County's COVID-19 Federal Emergency Management Agency (FEMA) public assistance reimbursement process. OEMHS uses contractors to assist with this work, which includes reviewing and compiling documents, working with departments on writing justifications for expenses, and reviewing expenses with FEMA. OEMHS has no funding in its budget allocated for these costs. These costs are fully reimbursable by FEMA. OEMHS has submitted for reimbursement of \$986,828 in contractor costs, and the County has received \$610,090 in reimbursement thus far.
4. The County Executive recommends a supplemental appropriation to the FY24 Operating Budget in the amount of \$300,000 for COVID-19 FEMA Contract Support and specifies that the source of funds will be General Fund Undesignated Reserves.
5. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY24 Operating Budget of the Office of Emergency Management and Homeland Security is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$300,000	\$300,000	General Fund Undesignated Reserves

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich
County Executive

Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

January 11, 2024

To: Jennifer Bryant, Director
Office of Management and Budget

From: Tiffany Ward, Director
Office of Racial Equity and Social Justice 

Re: Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #24-30
OEMHS COVID-19 FEMA Contract Support

- I. **FINDING:** Based on available information, Supplemental Appropriation #24-30 OEMHS COVID-19 FEMA Contract Support does not appear to substantively change the reimbursement activities outlined in the prior funding request, Supplemental Appropriation #23-97. Therefore, the Office of Racial Equity and Social Justice's (ORESJ) finding remains unchanged. There is insufficient detail from which to conduct a racial equity analysis or draw conclusions about potential racial equity impacts.
- II. **BACKGROUND:** The purpose of SA #24-30 is to provide additional funding to the Office of Emergency Management and Homeland Security (OEMHS) to support the COVID-19 FEMA public assistance reimbursement process. The County uses contractor support to assist departments with various tasks related to reimbursing COVID-19 response expenses. These tasks include reviewing and compiling documents, working with departments on writing justifications for expenses and reviewing expenses with FEMA. Currently, funds are not budgeted for these activities, but costs are eligible for full reimbursement by FEMA.

As previously indicated, ORESJ has reviewed this supplemental funding request in REIA #23-97 - COVID-19 FEMA Public Assistance Contract Support. Please refer to ORESJ's analysis, which is available here:

<https://www.montgomerycountymd.gov/ore/Resources/Files/23-97.pdf>

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #24-30 OEMHS
COVID- 19 FEMA Contract Support
January 11, 2024
Page 2 of 2

cc: Luke Hodgson, Director, Office of Emergency Management and Homeland Security
Ken Hartman, Director, Strategic Partnerships, Office of the County Executive