



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Marlene Michaelson, Executive Director  
Craig Howard, Deputy Director  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** #CARES Act, coronavirus, COVID-19

AGENDA ITEM #2M  
December 1, 2020  
**Introduction**

## SUBJECT

Special Appropriation to the Fiscal Year 2021 Operating Budget, Montgomery County Government Federal Coronavirus Relief Fund (NDA), \$8,962,097 (Source of Funds: Federal Grant Funds) and Amendment to Resolution 19-498 Special Appropriation to the Fiscal Year 2020 Operating Budget Montgomery County Government Federal Coronavirus Relief Fund (NDA)

## EXPECTED ATTENDEES

Rich Madaleno, Chief Administrative Officer

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

None

## DESCRIPTION/ISSUE

This special appropriation would appropriate \$8.9 million in federal CARES funding to the County Government COVID NDA. Based on current spending patterns and demands, the County Executive anticipates that \$8.9 million will be unspent in previously approved CARES-funded appropriations.

## SUMMARY OF KEY DISCUSSION POINTS

- As submitted, this appropriation would allow any unspent funding from eight appropriations (listed on page 2 along with a more detailed summary) to be spent on the 25 types of County or municipal expenditures previously authorized by Resolution 19-498 (as amended). The Executive also requests further amending Resolution 19-498 to allow an additional authorized use.
- The appropriation request does not require that the \$8.9 million in projected unspent funds be reallocated, but provides the County Executive with the authority to do so if some or all of those expenditures are not spent on their original purpose by the Congressionally-mandated deadline. All CRF funds must be spent by December 30, and any unspent funds after that date must be returned to the Federal government.
- **Council staff will present the Council with options for a more targeted approach to utilizing any unspent CRF funding for consideration as part of the Public Hearing and Action on this item scheduled for December 8<sup>th</sup>. The purpose will be to make sure all remaining funds can be spent while at the same time directed to programs that directly benefit those residents and businesses most in need to the extent possible.**
- As part of the CRF update on December 1<sup>st</sup>, Council staff will ask that staff overseeing the implementation of the eight appropriations with potentially unspent funds to discuss the spending patterns, demand, and projections through December 30.

## DETAILED SUMMARY OF REQUEST

Based upon passage of the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, Montgomery County received \$183,336,953 in Federal grant funding to be used for eligible COVID-19 related expenditures incurred between March 1 and December 30, 2020.

CRF monies received by Montgomery County must be spent on costs incurred on or before December 30, 2020. Since March 2020, the County Council has enacted special appropriations to help Montgomery County residents and businesses endure the pandemic and its effects. Due to the restrictions on spending imposed by Congress, the Administration expects that \$8,962,097 in CRF dollars will be unspent based on current spending patterns and demands. The list below details the special appropriations where funds will likely go unspent.

Resolution	Abbreviated Purpose	Estimated Unspent
19-523	Support for COVID-19 Response – Reopen Montgomery	\$500,000
19-551	Short-Term Assistance to Distressed, Affordable Common Ownership Communities	\$1,934,654
19-556	Permanent Supportive Housing for Veterans and Unsheltered Adults	\$88,335
19-564	COVID-19 Support Mental Health Hotline and Youth Suicide Prevention Hotline (EveryMind)	\$49,500
19-565	Latino Health Initiative COVID Response - Por Nuestra Salud y Bienestar Program	\$302,608
19-582	African American Health Program Executive Committee Targeted COVID Response	\$700,000
19-589	Countywide Program - Youth Sports Initiative	\$400,000
19-611	COVID-19 School-Age Child Care During Distance Learning	\$4,987,000

This resolution appropriates \$8.9 million to the COVID NDA. As a result, if some or all of these funds are unspent prior to December 30, this resolution provides the Executive with the authority to redirect the unspent funds for any of the 25 types of expenditures previously authorized from the NDA (listed below). **By doing this, the resolution effectively double-appropriates the \$8.9 million dollars – meaning the implementing departments or organizations still could spend as much of their original appropriation as possible in advance of the December 30 deadline.**

1. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency, including any pay differential provided to employees responding to the public health crisis.
2. COVID-19 related expenses of public clinics and similar facilities.
3. Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
4. Costs of providing COVID-19 testing, including serological testing.

5. Emergency medical response expenses, including emergency medical transportation related to COVID-19.
6. Expenses for establishing and operating community telemedicine capabilities for COVID-19.
7. Expenses for communication and enforcement of public health orders related to COVID-19.
8. Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment for medical personnel, police officers, social workers, child protection services, child welfare officers, County employees, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
9. Expenses for disinfection of public areas and other facilities in response to the COVID-19 public health emergency.
10. Expenses for technical assistance or mitigation of COVID-19 related threats to public health and safety.
11. Expenses for public safety measures undertaken in response to COVID-19.
12. Expenses for quarantining individuals.
13. Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
14. Expenses to improve telework capabilities of public employees to enable compliance with COVID-19 public health precautions.
15. Expenses relating to Department of Correction and Rehabilitation facilities as it relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
16. Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
17. Expenses, including overtime or contractual expenses, associated with implementation and administration of any new programs established by the special appropriations listed in this Resolution, or any related legislation.
18. Costs related to obtaining and maintaining lines of credit as authorized by the County Council.
19. Costs necessary to satisfy the non-Federal funding matching requirements for reimbursement of eligible emergency expenditures by the Federal Emergency Management Agency.
20. Assistance to other governmental entities in Montgomery County for costs or expenses incurred or necessitated due to COVID-19.
21. Expenses necessary for the reopening of County Government and provision of services to the public in different ways due to COVID-19.
22. Costs related to eviction and homelessness prevention programs addressing tenants at risk of eviction or homelessness due to COVID-19 impacts.

23. Costs related to the COVID Corps program.
24. Costs related to reimbursing Takoma Park for its Small Business Mini-Grant Program, provided that no funds may be used to pay for a grant to a business that received any COVID-related business assistance grant from Montgomery County.
25. Costs related to the Early Care and Education Initiative Recovery Fund where the amount awarded to recipients was in excess of the appropriation under Resolution 19-500 and General Funds were used to pay for the overage.

The County Executive also recommends amending Resolution 19-498 to add the following additional authorized use:

Funds in the COVID NDA may also be used to pay for personnel costs incurred by the County, due to the closure of County facilities in response to the COVID-19 pandemic, for those employees whose functions cannot be performed via telework and whose presence is not required at the worksite.

This additional use would allow CARES funding to cover administrative leave for employees that were unable to work due to building/facility closures from the COVID-19 pandemic. Executive staff note that these costs will otherwise need to be covered with General Fund dollars.

**This report contains:**

Executive Transmittal Memo (November 24, 2020)	©1-2
Draft Special Appropriation Resolution	©3-5

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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Marc Elrich  
*County Executive*

**MEMORANDUM**

November 24, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Appropriation #21-506 to the Federal Coronavirus Relief Fund (NDA) \$8,962,097 (Source of Funds: Federal Grant Funds) and Amendment to Resolution 19-498 Uses of the Federal Coronavirus Relief Fund Non-Departmental Account

On June 16, 2020, the County Council adopted Resolution 19-498, a Special Appropriation to the FY20 Operating Budget for Montgomery County Government. This Special Appropriation allocated \$80.0 million from the funds received under the Coronavirus Relief Fund to the Federal Coronavirus Relief Fund Non-Departmental Account (NDA). On November 17, this amount was increased by \$35.6 million by Resolution 19-569 (for a total allocation of \$115.6 million). Resolution 19-498 stated that the funds in the NDA may be used to pay for any County or municipal expenditure that is eligible under the CARES Act related to the specified purposes listed in the resolution. Two subsequent resolutions have expanded the list of allowed uses for the funds in the NDA. Any COVID-19 related expenditure not listed in the amended resolution would require the approval of the County Council.

CRF monies received by Montgomery County must be spent on costs incurred on or before December 30, 2020. Since March 2020, the County Council has enacted special appropriations to help Montgomery County residents and businesses endure the pandemic and its effects. As shown on the table below, it is expected that \$8,962,097 in CRF dollars will be unspent based on current spending patterns and demands. This special appropriation would appropriate that amount to the CRF NDA, with the source of funding specified as Federal Grant Funds.

In addition, I am requesting that the Council expand the authorized uses of the funds in the CRF NDA to include personnel costs incurred by the County for employees whose functions cannot be performed via telework and whose presence is not required at the worksite because of the closure of County facilities.

Sidney Katz, President, County Council  
November 24, 2020  
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I appreciate the Council's consideration of this request. Should you have any questions or need further clarification, please contact Joshua Watters in the Office of Management and Budget.

ME:jw

c: Marlene Michaelson, Executive Director, Montgomery County Council  
Richard S. Madaleno, Chief Administrative Officer  
Jennifer R. Bryant, Acting Director, Office of Management and Budget  
Michael Coveyou, Director, Department of Finance  
Earl Stoddard, Ph.D., Director, Office of Emergency Management and Homeland Security

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead sponsor: Council President at the request of the County Executive

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**SUBJECT:** Special Appropriation #21-506 to the Fiscal Year 2021 Operating Budget Montgomery County Government Federal Coronavirus Relief Fund (NDA) \$8,962,097 (Source of Funds: Federal Grant Funds) and Amendment to Resolution 19-498 Special Appropriation #20-464 to the Fiscal Year 2020 Operating Budget Montgomery County Government Federal Coronavirus Relief Fund (NDA)

**Background**

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. On March 27, 2020 the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted. The CARES Act established the Coronavirus Relief Fund (CRF) and appropriated \$150,000,000,000 to the fund. Under the CARES Act, the fund is to be used to make payments for specified uses to States and certain local governments, and Montgomery County is eligible to receive \$183,336,953 from the Federal CRF. On April 14, 2020 the County submitted an application to access the CRF funds. As required by the CARES Act, the County Executive certified that the funds would only be used to cover costs that: are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); were not accounted for in the County budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act); and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The full \$183,336,953 Federal grant has been received by the County
3. CRF monies received by Montgomery County must be spent on costs incurred on or before December 30, 2020. Since March 2020, the County Council has enacted special appropriations to help Montgomery County residents and businesses endure the pandemic

and its effects. Due to the restrictions on spending imposed by Congress, the Administration expects that \$8,962,097 in CRF dollars will be unspent based on current spending patterns and demands. The list below details the special appropriations where funds will likely go unspent.

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19-589	Countywide Program - Youth Sports Initiative	\$400,000
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4. The Executive is requesting that Council appropriate \$8,962,097 to the Federal Coronavirus Relief Fund NDA to be spent on eligible costs incurred on or before December 30, 2020.
5. Public notice of the special appropriation was provided by news release and specified the source of funds as Federal Grant Funds.

**Action**

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

A special appropriation to the FY20 Operating Budget of the Montgomery County Government, in the amount of \$8,962,097 is approved to the Federal Coronavirus Relief Fund NDA (COVID NDA) as follows:

	<u>Personnel Expense</u>	<u>Operating Expense</u>	<u>Total</u>	<u>Source of Funds</u>
COVID NDA	\$0	\$8,962,097	\$8,962,097	Federal Grant Funds



The Council approves the following amendment to Resolution 19-498 which authorized uses for funds in the Federal Coronavirus Relief Fund NDA (COVID NDA).

Funds in the COVID NDA may also be used to pay for personnel costs incurred by the County, due to the closure of County facilities in response to the COVID-19 pandemic, for those employees whose functions cannot be performed via telework and whose presence is not required at the worksite.

This appropriation is needed in response to a public health emergency and to act without delay is in the public interest.

This is a correct copy of Council action.

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Selena Mendy Singleton, Esq.  
Clerk of the Council