



Committee: Directly to Council
Committee Review: N/A
Staff: Craig Howard, Deputy Director
Purpose: To introduce agenda item – no vote expected
Keywords: COVID-19; DGS

AGENDA ITEM #3A
June 15, 2021
Introduction

SUBJECT

Supplemental Appropriation to the Fiscal Year 2021 Operating Budget; Montgomery County Government; Department of General Services; COVID-19 Response; \$48,478,989; (Source of Funds: General Fund Undesignated Reserve); Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction. Public hearing and action scheduled for June 22, 2021.

DESCRIPTION/ISSUE

Costs incurred for emergency COVID-19 response and services were not included in the originally approved FY21 Operating Budget, and due to the nature of the emergency, some departments were permitted to exceed the Council's appropriation to respond to the emergency. The County Executive is recommending FY21 supplemental appropriations for the Department of General Services (DGS), Department of Health and Human Services (DHHS), Office of Public Information (PIO), Office of Emergency Management and Homeland Security (OEMHS), and Montgomery County Fire and Rescue Service (MCFRS) based on the estimates from the FY21 third quarter analysis. The Executive assumed these expenditures in his FY22 Recommended Budget and the Council's approved FY22 Approved Budget assumes these expenditures as well. It is expected that much of these costs will be reimbursed by the Federal Emergency Management Agency (FEMA). However, each department requires additional appropriation authority to align with actual expenditures in FY21.

The Executive's package of supplementals for DGS, DHHS, PIO, OEMHS, and MCFRS are agenda items #3A-#3E on today's agenda.

SUMMARY OF KEY DISCUSSION POINTS

- Emergency response to COVID-19 required certain departments and offices to expend funds that were not included in their original FY21 operating budget appropriations in order to immediately address the public health and safety of County residents.
- DGS was responsible for procuring, storing, and managing the distribution of masks, gloves, gowns, other personal protective equipment (PPE), and disinfecting supplies.
- Additional appropriation is needed for the cost of PPE (\$45,156,826), cleaning and disinfecting services and other supplies (\$2,610,258), and warehousing and additional expenditures (\$711,905).

This report contains:

Memo from County Executive

©1-3

Supplemental Appropriation Resolution - DGS

©4-5

Alternative format requests for people with disabilities. If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

May 19, 2021

TO: Tom Hucker, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Supplemental Appropriations to the FY21 Operating Budget for Montgomery County
Government COVID-19 Emergency Expenses
Department of Health and Human Services (DHHS) – \$75,441,056
Department of General Services (DGS) – \$48,478,989
Public Information Office (PIO) – \$455,911
Office of Emergency Management and Homeland Security – \$250,299

I am recommending supplemental appropriations to the FY21 Operating Budget for the following departments because of the County's response efforts to the COVID-19 pandemic. The source of funds for each of these supplemental appropriations will be General Fund: Undesignated Reserves:

- Department of Health and Human Services (DHHS) – \$75,441,056;
- Department of General Services (DGS) – \$48,478,989;
- Office of Public Information (PIO) – \$455,911; and
- Office of Emergency Management and Homeland Security (OEMHS) – \$250,299.

The costs DHHS, DGS, PIO, and OEMHS incurred for emergency services to combat COVID-19 were not included the FY21 Approved Operating Budget. My FY22 Recommended Budget that was transmitted on March 15, included FY21 spending assumptions for these departments related to the COVID-19 pandemic. Now that the Office of Management and Budget's (OMB) third quarter spending analysis is complete, we have a clearer picture of the magnitude of spending for FY21 COVID-related expenditures. I expect the costs for many of these services provided will be reimbursed to the County by the Federal Emergency Management Agency (FEMA). Because FEMA reimbursement is in the form of revenue, these departments require additional appropriations to recognize those expenditures.

An explanation of the expenditures for each department follows, should you have any questions, my Administration will be happy to address them.

Department of Health and Human Services

This supplemental appropriation is needed by DHHS to deliver the emergency services our residents need to combat the virus. Services provided include testing, food security, vaccination efforts, and other vital public health services. Following is a breakdown of the amounts that are included in this supplemental request by spending category:

- Testing/contact tracing – \$32,470,635;
- Brokers and contractual staff for contact tracing, testing, and vaccinations – \$21,658,166;
- Emergency Shelter Services – \$15,927,342;
- Minority Health Programs – \$3,466,153;
- Hubs – \$736,753;
- PPE/Safety Measures – \$693,526;
- Emergency Operations Center at Dennis Avenue – \$248,481; and
- Interpreters – \$240,000.

Department of General Services

Since the start of the pandemic, DGS has been tasked with procuring personal protective equipment (PPE) for County government. This PPE has included cloth masks, respirator masks, N95 and KN95 masks, face shields, gowns, gloves, and disinfecting supplies. As a result of these efforts, the County has been able to fill the PPE needs of departments, as well as some of our community partners. This has significantly aided us in being able to offer testing and vaccination services to the public. Following is a breakdown of the amounts that are included in this supplemental request:

- Personal Protective Equipment – \$45,156,826;
- Cleaning and Disinfecting Services and Other Supplies – \$2,610,258; and
- Warehousing and Additional Expenditures – \$711,905.

Public Information Office

PIO has been key to the County's efforts in disseminating information related to the COVID-19 pandemic and the services the County offers. This was primarily done through advertising campaigns, signage, press briefings and community meetings, and by answering resident questions through MC311. Because of the surge in calls, additional temporary staff needed to be brought on to handle the call volume related to COVID-19. Following is a breakdown of the amounts that are included in this supplemental request:

- COVID Related Advertising, Messaging, and Signage – \$186,676;
- COVID Press Briefings and Community Meetings – \$59,244; and
- MC311 Temporary Employees for COVID Call Surge – \$209,991.

Tom Hucker, President, County Council
May 19, 2021
Page 3 or 3

Office of Emergency Management and Homeland Security

OEMHS has been leading the County's efforts in responding to this emergency. As a result, they have experienced some cost overages related to both response and recovery coordination, as well as preparing and submitted reimbursement requests to FEMA. Following is a breakdown of the amounts that are included in this supplemental request:

- Coordination of Pandemic Recovery Efforts (Contractor) – \$78,000; and
- Overtime Costs for COVID Response and Data Collection for FEMA – \$172,299.

The DHHS costs included service provided for testing, food security, vaccination efforts, and other vital public health services. The DGS costs included expenditures for personal protective equipment, enhanced cleaning and sanitation services, and other supplies and services necessary for the County's response to COVID-19. The PIO costs were for communication costs, graphic costs, and interpretation costs related to the COVID-19. The OEMHS costs were due to overtime costs to respond to COVID-19.

I recommend that the County Council approve the attached supplemental appropriations for DHHS, DGS, PIO, and OEMHS related to the County's COVID response efforts, and specify the source of funds as General Fund: Undesignated Reserves. These expenditures were assumed in my FY22 Recommended Budget, thus these supplementals do not impact fund balance assumptions.

I appreciate your prompt consideration of these action.

ME:jw

Enclosures: •Supplemental Appropriation #21-516 (DHHS)
 •Supplemental Appropriation #21-517 (DGS)
 •Supplemental Appropriation #21-525 (PIO)
 •Supplemental Appropriation #21-526 (OEMHS)

cc: Richard S. Madaleno, Chief Administrative Officer
Marlene Michaelson, Executive Director, County Council
Raymond L. Crowel, Psy.D., Director, Department of Health and Human Services
David Dise, Director, Department of General Services
Barry Hudson, Director, Public Information Office
Earl Stoddard, Ph.D., Director, Office of Emergency Management and Homeland Security
Jennifer Bryant, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Fariba Kassiri, Deputy Chief Administrative Officer

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #21-517 to the FY21 Operating Budget
Montgomery County Government
Department of General Services
COVID-19 Response, \$48,478,989 (Source of Funds: General
Fund 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 five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six 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 FY21 Operating Budget appropriation increases for the Department of General Services:

<u>Personnel</u> <u>Services</u>	<u>Operating</u> <u>Expenses</u>	<u>Capital</u> <u>Outlay</u>	<u>Total</u>	<u>Source</u> <u>of Funds</u>
\$0	\$48,478,989	\$0	\$48,478,989	General Fund Undesignated Reserves

3. This increase is needed to support unbudgeted expenditures by the Department of General Services for masks and other protective equipment, enhanced cleaning and sanitation services, and other supplies and services necessary to support the County's response to the COVID-19 pandemic. Amounts in this supplemental include:
 - Personal Protective Equipment – \$45,156,826;
 - Cleaning and Disinfecting Services and Other Supplies – \$2,610,258; and
 - Warehousing and Additional Expenditures – \$711,905.
4. The County Executive recommends a supplemental appropriation to the FY21 Operating Budget in the amount of \$48,478,989 for the County's COVID-19 response and specifies the source of funds as 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 FY21 Operating Budget of the Department of General Services is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$48,478,989	\$0	\$48,478,989	General Fund Undesignated Reserves

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council