



Committee: Joint
Committee Review: At a future date
Staff: Craig Howard, Deputy Director
Essie McGuire, Senior Legislative Analyst
Purpose: To receive testimony – no vote expected
Keywords: DHHS

AGENDA ITEM #6
March 1, 2022
Public Hearing

SUBJECT

Supplemental Appropriation to the Fiscal Year 2022 Operating Budget; Montgomery County Government; Department of Health and Human Services (DHHS); DHHS COVID-19 Emergency Response; \$69,691,000 (Source of Funds: General Fund Reserves); Lead Sponsor: Council President at the Request of the County Executive

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Public Hearing only. Joint Government Operations & Fiscal Policy and Health & Human Services Committee meeting is scheduled for March 24, 2022.

DESCRIPTION/ISSUE

The COVID-19 pandemic requires the County to respond quickly to the public health needs of county residents as well as related emergency services, such as modifying procedures for emergency shelter. The Department of Health and Human Services has incurred costs that were not included in their FY22 approved budget, and a supplemental appropriation is required to recognize these expenditures. In addition to costs related to the pandemic, \$100,000 is included in this supplemental for emergency response to the Rock Creek Flood. The County is pursuing FEMA reimbursement for all costs to the extent that those costs are eligible for reimbursement.

SUMMARY OF KEY DISCUSSION POINTS

- The Executive provides the following breakdown for this supplemental appropriation:
 - Contractual staff and brokers to support testing and vaccine sites in the County (\$21,500,000)
 - Rapid COVID-19 tests (\$21,491,000)
 - County-wide testing (\$13,900,000)
 - COVID testing for the Latino Health Initiative (\$1,000,000)
 - COVID testing for Montgomery County Public Schools (\$3,000,000)
 - Shelters and housing individuals at hotels (\$8,700,000)
 - Response to Rock Creek Flood (\$100,000)
- These expenses require additional appropriation because FEMA reimbursement is a form of revenue when it is received.

- DHHS continues to accrue unbudgeted costs for pandemic related efforts such as testing and vaccination. On March 2, 2022 the Executive informed the Council that DHHS incurred and additional \$8,436,154 in costs associated with countywide COVID testing and requests the Council amend this appropriation to include this additional amount. This will be a part of the worksession with the Joint Health & Human Services (HHS) and Government Operations & Fiscal Policy (GO) Committee.
- The Fiscal Plan and Federal Funding update provided to the Council at its December 14, 2021 session¹ said that OMB estimated that the County Government’s expenditures will be \$84.1 million greater than the FY22 approved budget. Of the total amount, \$29.4 million was for DHHS primarily related to the County’s ongoing response to the pandemic. The estimate was based on the County’s actual expenditures through Quarter 1 of FY22.
- Since the December update, DHHS expenditures increased by approximately \$40 million due to the pandemic surge associated with the Omicron variant.
- A Joint HHS and GO Committee worksession is scheduled for March 24 to review this appropriation request. For that worksession, Council staff will prepare additional information on the recent pandemic spending, the status of FEMA reimbursement, and the impact of the additional spending on the overall fiscal picture.
- The Office of Racial Equity and Social Justice finds that this appropriation advances racial equity and social justice by taking into account the disparities in COVID-19 impacts and in addressing the emergency needs of residents affected by the Rock Creek Flood in September 2021.

Attached:

Memo from County Executive	© 1-2
Appropriation Resolution	© 3-4
Racial Equity Impact Assessment (Office of Racial Equity and Social Justice)	© 5-7

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

¹ https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2021/20211214/20211214_14.pdf




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

M E M O R A N D U M

February 15, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Supplemental Appropriation #22-56 to the FY22 Operating Budget
Montgomery County Government
Department of Health and Human Services (DHHS)
DHHS COVID-19 Emergency Response, \$69,691,000

I am recommending a supplemental appropriation to the FY22 Operating Budget of the Department of Health and Human Services (DHHS) in the amount of \$69,591,000 for COVID-19 pandemic emergency expenses and around \$100,000 in expenses related to the response to the Rock Creek flood.

This increase is needed by DHHS to deliver the emergency services residents need to combat the virus and for assistance provided to those impacted by the Rock Creek flood. These costs were not included in the Department's approved FY22 Operating Budget. The County will actively seek reimbursement from the Federal Emergency Management Agency (FEMA) for all eligible expenditures. DHHS requires additional appropriation to recognize those expenditures because FEMA reimbursement is in the form of revenue. Following is a breakdown of the amounts that were encumbered or spent as of January 10, 2022 included in this Supplemental request:

- Contractual staff and brokers to support testing and vaccine sites in the County, \$21,500,000;
- Rapid COVID-19 tests, \$21,491,000;
- County-wide testing, \$13,900,000;
- Testing for Latino Health Initiative, \$1,000,000;
- Testing for MCPS, \$3,000,000;
- Shelters and housing individuals at hotels, \$8,700,000; and
- Response to the Rock Creek flood, \$100,000.

Supplemental Appropriation #22-56 to the FY22 Operating Budget, DHHS, DHHS COVID-19 Emergency Response, \$69,691,000
February 15, 2022
Page 2 of 2

I recommend that the County Council approve this supplemental appropriation in the amount of \$69,691,000 and specify the source of funds as County General Fund Reserves.

I appreciate your prompt consideration of this action.

ME:dl

Attachment: Supplemental Appropriation #22-56, DHHS COVID-19 Emergency Response

c: Raymond L. Crowel, Psy.D., Director, Department of Health and Human Services
Jennifer R. Bryant, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Victoria Buckland, Chief Operating Officer, Department of Health and Human Services

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

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

SUBJECT: Supplemental Appropriation #22-56 to the FY22 Operating Budget
Montgomery County Government
Department of Health and Human Services (DHHS)
DHHS COVID-19 Emergency Response, \$69,691,000
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 FY22 Operating Budget appropriation increases for the Department of Health and Human Services:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$69,691,000	\$0	\$69,691,000	General Fund Reserves

3. This increase is needed by DHHS to deliver the emergency services to residents because of the pandemic and in response to the Rock Creek flood. These costs were not included in the Department’s approved FY22 operating budget. The County will actively seek reimbursement from the Federal Emergency Management Agency (FEMA) for all eligible expenditures. DHHS requires additional appropriation to recognize those expenditures because FEMA reimbursement is in the form of revenue. Following is a breakdown of the amounts that were encumbered or spent as of January 10, 2022, included in this Supplemental request:

- Contractual staff and brokers to support testing and vaccine sites in the County, \$21,500,000;
- Rapid COVID-19 tests, \$21,491,000;
- County-wide testing, \$13,900,000;
- Testing for Latino Health Initiative, \$1,000,000;
- Testing for Montgomery County Public Schools (MCPS), \$3,000,000;
- Shelters and housing individuals at hotels, \$8,700,000; and
- Response to the Rock Creek flood, \$100,000.

4. The County Executive recommends a supplemental appropriation to the FY22 Operating Budget in the amount of \$69,691,000 for COVID-19 and Rock Creek emergency expenses and specifies that the source of funds will be General Fund 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 FY22 Operating Budget of the Department of Health and Human 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	\$69,691,000	\$0	\$69,691,000	General Fund Reserves

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich
County Executive


Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

February 24, 2022

To: Jennifer Bryant, Director
Office of Management and Budget

cc: Gabe Albornoz, President
Montgomery County Council

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

Re: Racial Equity Impact Assessment (REIA) for Special Appropriation #22-56: Health and Human Services Covid 19

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #22-56 Health and Human Services Covid 19 advances racial equity and social justice in the County by taking into consideration racial and ethnic disparities in Covid-19 impacts and addressing the emergency needs of residents affected by the Rock Creek Flood in September 2021.
- II. **BACKGROUND:** The purpose of Special Appropriation #22-56 is to enable an allocation of funds for costs incurred by the Department of Health and Human Services for emergency services related to the Covid-19 pandemic and the Rock Creek Flood.

As of January 10, 2022, these expenses included:

- Contractual staff and brokers to support testing and vaccine sites in the County, \$21,500,000;
- Rapid COVID-19 tests, \$21,491,000;
- County-wide testing, \$13,900,000;
- Testing for Latino Health Initiative, \$1,000,000;
- Testing for MCPS, \$3,000,000;
- Shelters and housing individuals at hotels, \$8,700,000 and
- Response to the Rock Creek flood, \$100,000.

To date, the ORESJ has documented in numerous Racial Equity Impact Assessments (REIAs) national and local racial disparities related to the Covid-19 pandemic, including in the areas of healthcare, employment, education, and housing in numerous. These REIAs also provide analysis of leading policies and practices from policy experts and other jurisdictions for addressing and preventing disparate outcomes in the future.

Given that this Special Appropriation continues many of the efforts previously examined by ORESJ, the Office directs those considering this appropriation to do so by reviewing the following supplemental appropriations:

- Supplemental Appropriation #21-528 Covid-19 FEMA Emergency Protective Measures Grant: <https://www.montgomerycountymd.gov/ore/Resources/Files/21-528.pdf>
- Supplemental Appropriation #21-529 Covid-19 Mass Vaccination CARES Grant: <https://www.montgomerycountymd.gov/ore/Resources/Files/21-529.pdf>
- Special Appropriation #21-533 Por Nuestra Salud y Bienestar: <https://www.montgomerycountymd.gov/ore/Resources/Files/21-533.pdf>

In addition to resources provided for Covid-19 related emergency services, this Supplemental Appropriation also covers costs associated with the County’s emergency response to the Rock Creek Flood in September 2021. The flood affected residents in three different apartment buildings; funding was used to provide hotel rooms for 145 people. The majority of people lived in the Rock Creek Woods apartment. Typically to assess the effects of a particular resource allocation we would look at the demographics of the beneficiaries to see whether they were proportional to the population overall, and to determine whether the resources would close racial disparities or prevent disparities from widening.

In this case, because there weren’t demographic data about recipients available at the time of this analysis, we instead analyzed the demographics of the census tract (7012.19) in which the Rock Creek Woods apartment is located:

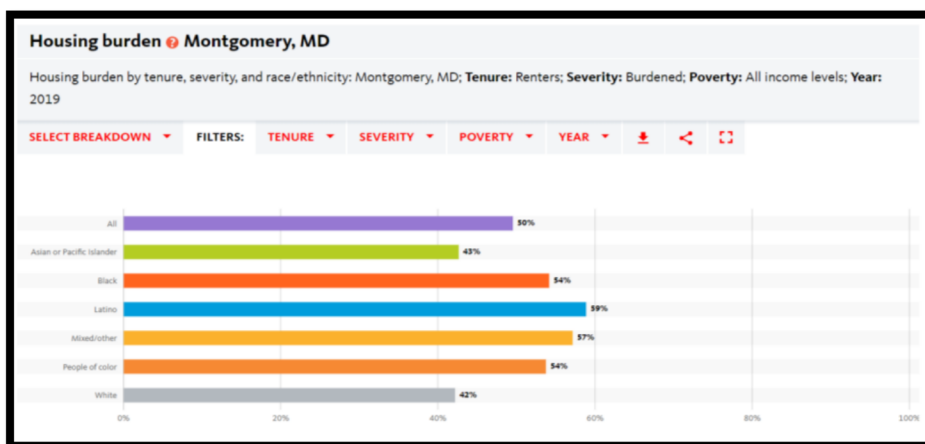
Population	Percent of total population
Non-Hispanic White	23%
American Indian	.24%
Asian/Hawaiian/Pacific Islander	25%
Black	13%
Hispanic	36%
Other/Two or More Races	4%

Source: Author’s calculations of 2021 demographic data available at the Federal Financial Institutions Examination Council Census Tract Look up: <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>. The total population does not sum to 100 due to rounding.

Presuming the race and ethnicity of resident of the Rock Creek Woods Apartment were like that of residents in the census tract overall, it is likely that residents impacted by the flood were people of color, with more than 30% being Hispanic/Latinx. Given existing racial disparities in

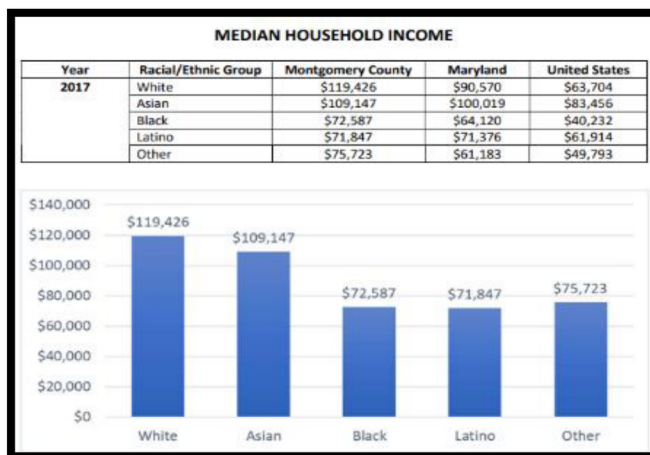
household income and rental-cost burden in the County, emergency housing provided for residents displaced by the flood was necessary to prevent disparities from growing.

III. **DATA ANALYSIS:** The chart below illustrates rent-housing cost burden by race/ethnicity in Montgomery County in 2019. It shows that rental housing cost burden is highest among Latino residents at 59% and that the percentage of residents of color experiencing rental housing cost burden is 4 percentage points higher than in the County overall, and 14 percentage points higher than the percent of white residents who are rental housing cost burdened.



Source: Policy Link. National Equity Atlas. Housing burden by tenure, severity, and race/ethnicity: Montgomery, MD; **Tenure:** Renters; **Severity:** Burdened; **Poverty:** All income levels; **Year:** 2019. Available at: https://nationalequityatlas.org/indicators/Housing_burden#/?geo=04000000000024031

The chart below shows racial disparities in median household income in Montgomery County in 2017. Median household income for Black and Latino residents was about 60% of the median household income for white residents.



Source: Montgomery County, Maryland Office of Legislative Oversight Montgomery County Racial Equity Profile. Available here: <https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/RevisedOLO2019-7.pdf>

cc: Ken Hartman, Director, Office of Strategic Partnership, Office of the County Executive
 Raymond Crowel, Director, Department of Health and Human Services