



**Committee:** Joint  
**Committee Review:** Completed  
**Staff:** Craig Howard, Deputy Director  
**Purpose:** Final action – vote expected  
**Keywords:** DHHS

AGENDA ITEM #4  
April 5, 2022  
**Action**

## 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

- Earl Stoddard, Assistant Chief Administrative Officer
- Vicky Buckland, Department of Health and Human Services
- Josh Watters, Office of Management and Budget
- Dave Gottesman, Office of Management and Budget

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

The joint Government Operations and Fiscal Policy/Health and Human Services Committee reviewed the requested supplemental appropriation on March 24 and made the following recommendations:

- 1) Amend the total appropriation to \$78,127,154 per the County Executive's March 2, 2022 request.
- 2) Approve the supplemental appropriation as amended.
- 3) Schedule a future follow-up discussion at full Council on the status of FEMA reimbursement for pandemic-related expenditures.

## DESCRIPTION/ISSUE

- On February 15, the County Executive sent a supplemental appropriation request in the amount of \$69,691,000 for the FY22 Department of Health and Human Services (DHHS) operating budget for COVID-19 pandemic emergency expenses as well as for the response to the Rock Creek flood. The Executive's transmittal notes that these costs were not included in the approved FY22 Operating Budget, and that the County will actively seek reimbursement from the Federal Emergency Management Agency (FEMA) for all eligible expenditures.
- On March 2 the Executive recommended an increase to this supplemental appropriation in the amount of \$8,436,154 for COVID-19 pandemic emergency expenses related to an extension of emergency procurements with three labs used by DHHS for COVID testing.
- Since these expenditures were not included in the approved budget, Council approval is required to provide additional appropriation authority.

## SUMMARY OF KEY DISCUSSION POINTS

- **Expenditures.** A summary of the additional expenditures included in the appropriation request are shown below, and the joint Committee had a more detailed discussion with DHHS and OMB staff on the timing and components of these broader categories:
  - 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)
  - Contracts with labs for COVID testing during Omicron surge (\$8,436,154)
- **Fiscal Impact.** The Executive’s FY23 recommended operating budget projects a FY22 year-end general fund reserves of 10.4%. This includes the entire \$78.1 million in this request as FY22 general fund expenditures, without assuming any federal funding offsets. As a result, approving this supplemental will not impact the projected FY22 or FY23 year-end fund balance in the General Fund. However, any additional unplanned FY22 expenditures could reduce the projected FY22 reserve levels if not offset by additional revenues or reduced expenditures elsewhere.
- **FEMA Reimbursement.** As noted in the Executive’s transmittal, the County plans to seek federal reimbursement from FEMA for all eligible expenditures. However, even if approved the County may not actually receive the FEMA reimbursements in FY22. The Executive’s recommended fiscal plan does not assume any FEMA reimbursement in FY22 or FY23. The Executive Branch provided an update on all planned or submitted FEMA reimbursement requests since the pandemic began. To date, the County has submitted and received \$36.2 million in FEMA reimbursement since the pandemic began.
- **Racial Equity Impact Assessment (REIA).** The REIA conducted by 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.

### Attachments:

GO/HHS Committee Staff Report (March 24, 2022)	Pages 1-4
County Executive Supplemental Appropriation Transmittal Memo (February 15, 2022)	©1-4
Racial Equity Impact Assessment (February 24, 2022)	©5-7
County Executive Request to Increase Supplemental Appropriation (March 2, 2022)	©8
County Executive FY23 Recommended Fiscal Plan Summary	©9
FEMA Reimbursement Update	©10
Draft Appropriation Resolution (as amended by the GO/HHS Committee)	©11-12

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**MEMORANDUM**

March 22, 2022

**TO:** Government Operations and Fiscal Policy Committee  
Health and Human Services Joint Committee

**FROM:** Craig Howard, Deputy Director  
Essie McGuire, Senior Legislative Analyst

**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

**PURPOSE:** Worksession, vote expected

**Expected Attendees:**

Raymond Crowel, Director, Department of Health and Human Services  
Vicky Buckland, Department of Health and Human Services  
Jason Rundell, Department of Health and Human Services  
Josh Watters, Office of Management and Budget  
David Gottesman, Office of Management and Budget  
Lindsay Lucas, Office of Management and Budget

**A. Background**

On February 15, the County Executive sent a supplemental appropriation request in the amount of \$69,691,000 for the FY22 Department of Health and Human Services (DHHS) operating budget for COVID-19 pandemic emergency expenses as well as for the response to the Rock Creek flood (©1-4). The Executive's transmittal notes that these costs were not included in the approved FY22 Operating Budget, and that the County will actively seek reimbursement from the Federal Emergency Management Agency (FEMA) for all eligible expenditures. Since these expenditures were not included in the approved budget, Council approval is required to provide additional appropriation authority.

Additionally, on March 2 the Executive recommended an increase to this supplemental appropriation in the amount of \$8,436,154 for COVID-19 pandemic emergency expenses related to an extension of emergency procurements with three labs used by DHHS for COVID testing (©8). This additional amount would increase the total supplemental appropriation to \$78,127,154 and would require that the Council amend the appropriation amount.

## B. Summary of Request

As part of the [Fiscal Plan and Federal Funding update](#) provided to the Council at its December 14, 2021 session, the Office of Management of Budget (OMB) stated that DHHS' FY22 expenditures would be approximately \$29.4 million greater than budgeted due to the County's ongoing response to the pandemic as well as the response to the Rock Creek Flood. This estimate was based on the County's actual expenditures through Quarter 1 of FY22. Because of the significant size of the over-expenditures, the OMB indicated that the Executive would be submitting a supplemental appropriation request to authorize this spending.

Since the December update, DHHS expenditures increased by over \$40 million due to the pandemic surge associated with the Omicron variant, leading to the actual supplemental request totaling \$69.7 million. The specific expenditure items for the original supplemental request are listed below, and reflect items that were addressed with and generally supported by the Council during its regular pandemic response updates sitting as the Board of Health.

- 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)

The additional \$8,436,154 that the Executive recommends the Council add to the supplemental is due to the extension of emergency procurements with three labs used by DHHS for COVID testing. The extension of procurements was needed due to the testing surge that began with the Omicron surge that began in late December.

**Discussion questions.** Council staff has asked the Executive Branch to be prepared to discuss the following questions related to pandemic response activities:

1. Is there a projection of any FY22 funding needed above the \$78.1 million for:
  - a. County testing clinics, including those with community partners;
  - b. Distribution of at-home rapid tests to County residents
  - c. Distribution of at-home PCR tests to County residents
  - d. Testing for Montgomery County Public Schools
  - e. County vaccination clinic, including those with community partners and at school sites

**Executive Branch Response:** Currently, there are additional expenses related to brokers which are projected to be funded by grants. Other additional expenses are possible but are unknown at this time.

2. What is the average weekly expense for testing for MCPS staff and students?

**Executive Branch Response:** MCPS orders and pays for the tests for daily symptomatic and weekly asymptomatic testing. The cost associated with MCPS that HHS has incurred is related to contractors that assist in the administration, and that expense varies depending on staffing levels.

### C. Fiscal Impact and FEMA Reimbursement

While the December fiscal update assumed the \$29.4 million in additional expenditures, it did not include the additional \$40.3 million included in the February supplemental or the additional \$8.4 million recommended on March 2. Since then, the Council has received the Executive's FY23 recommended operating budget which provides additional context for how these expenditures fit into the County's overall fiscal picture. The summary below is based on the Executive's budget recommendations, and Council staff notes that we are still reviewing the various FY22 and FY23 revenue and expenditure assumptions included in the budget.

- The Executive's FY23 recommended operating budget projects a FY22 year-end general fund reserves of 10.4% (see ©9). This includes the entire \$78.1 million in this request as FY22 general fund expenditures, without assuming any federal funding offsets.
- As a result, approving this supplemental will not impact the projected FY22 or FY23 year-end fund balance in the General Fund. However, any additional unplanned FY22 expenditures could reduce the projected FY22 reserve levels if not offset by additional revenues or reduced expenditures elsewhere.

**FEMA reimbursement.** As noted in the Executive's transmittal, the County plans to seek federal reimbursement from FEMA for all eligible expenditures. However, even if approved the County may not actually receive the FEMA reimbursements in FY22. As noted above, the Executive's recommended fiscal plan does not assume any FEMA reimbursement in FY22 or FY23. The Executive Branch provided an update on all planned or submitted FEMA reimbursement requests since the pandemic began, attached at ©10. The update shows:

- \$163.5 million initially identified in potentially FEMA-reimbursable expenditures.
- \$120.4 million in expenditures that have been or in the process of being shared with FEMA as part of a "pre-review" process prior to final submission. OMB staff notes that the purpose of the pre-review, while increasing the overall timeframe because it includes multiple rounds of back and forth between the County and FEMA, is to help ensure the County only submits eligible expenditures and provides all necessary documentation as part of the final submission.
- \$36.2 million in expenditures have been formally submitted to FEMA, and the County has been reimbursed for that entire amount. This consists of one submission of \$31.8 million from October 2020, and a second submission of \$4.4 million in July 2021.
- The next two submissions totaling \$7.5 million are under final review for portal submission.

**Discussion Question.** Council staff has asked the Executive Branch to be prepared to discuss the following questions related to pandemic response activities

1. The County has received Federal and State grants for testing, vaccination, and other HHS COVID response activities. Some of these include the Immunization and Vaccine for Children Grant (\$5.4 million); Epidemiology and Laboratory Capacity Enhancing Detection Expansion (\$4.2 million); FEMA Emergency Protective Measures Grant (\$7.8 million); and the COVID Mass Vaccination CARES Grant (\$2.1 million). Is the expectation that the spending from these grants is in addition to the \$78.1 million or will any of these grants be able to offset this spending if FEMA reimbursement is not received? How is DHHS determining when activities will be charged to these or future grants versus submission for FEMA reimbursement?

***Executive Branch Response:*** Concerning the grants you outlined, the Department is seeking to use grant funding whenever appropriate. Some expenses will be charged to grants but is restricted to when those expenses were incurred and what they were for. The Department still projects to spend 78.1M in addition to any grant funding that is available.

#### **D. Racial Equity Impact Assessment (REIA)**

The REIA conducted by the Office of Racial Equity and Social Justice (attached at ©5-7) 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.

#### **E. Council Staff Recommendation**

Council staff recommends approval of this supplemental appropriation, with an amendment to increase the total amount to \$78,127,154 as recommended by the Executive.




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

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

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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:

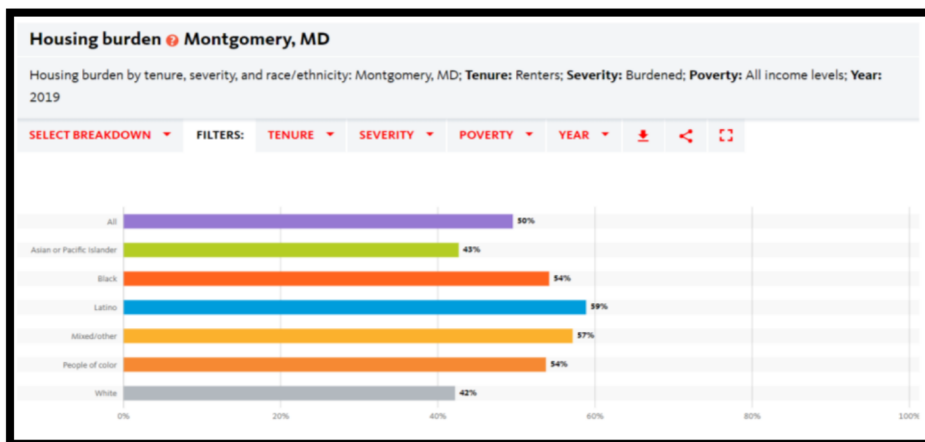
Population	Percent of total population
Non-Hispanic White	23%
American Indian	.24%
Asian/Hawaiian/Pacific Islander	25%
Black	13%
Hispanic	36%
Other/Two or More Races	4%

**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

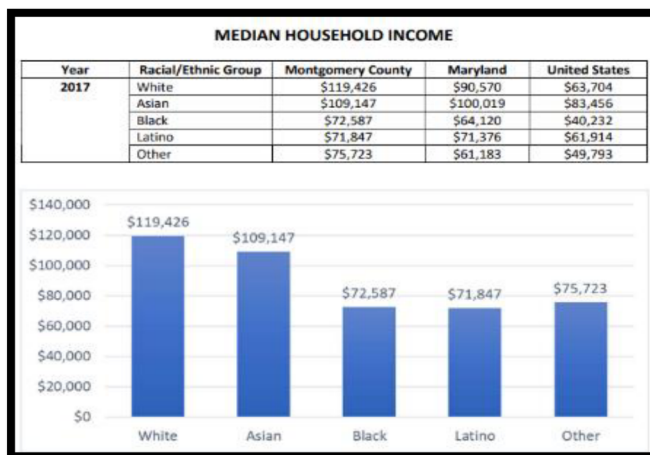
household income and rental-cost burden in the County, emergency housing provided for residents displaced by the flood was necessary to prevent disparities from growing.

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](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




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
*County Executive*

M E M O R A N D U M

March 2, 2022

TO: Gabriel Albornoz, President  
County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Increase in Supplemental Appropriation #22-56 to the FY22 Operating Budget  
Montgomery County Government  
Department of Health and Human Services (DHHS)  
DHHS COVID-19 Emergency Response, \$8,436,154

I am recommending an increase to the Supplemental Appropriation #22-56 of the FY22 Operating Budget of the Department of Health and Human Services (DHHS) in the amount of \$8,436,154 for COVID-19 pandemic emergency expenses related to an extension of emergency procurements with three labs used by DHHS for COVID testing.

This increase is needed by DHHS to provide additional County-wide COVID testing. The reason for this request is the surge in demand for COVID testing that occurred during the recent holidays. With this increase, the total Supplemental Appropriation #22-56 request will become \$78,127,154.

I recommend that the County Council approve this \$8,436,154 increase to the Supplemental Appropriation with a revised total of \$78,127,154 and specify the source of funds as County General Fund: Undesignated Reserves.

I appreciate your prompt consideration of this action.

ME:dl

c: Raymond L. Crowel, Psy.D., Director, Department of Health & 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 & Human Services

## County Executive's Recommended FY23-28 Public Services Program Tax Supported Fiscal Plan Summary

(\$ in Millions)															
	App. FY22	Est. FY22	% Chg. FY22-23	Rec. FY23	% Chg. FY23-24	Projected FY24	% Chg. FY24-25	Projected FY25	% Chg. FY25-26	Projected FY26	% Chg. FY26-27	Projected FY27	% Chg. FY27-28	Projected FY28	
31	<b>Beginning Reserves</b>														
32	82.1	169.4	-16.8%	68.3	-2.1%	66.8	18.1%	79.0	24.7%	98.5	17.5%	115.7	8.7%	125.8	
33	403.8	444.6	27.2%	513.5	0.6%	516.5	0.8%	520.4	0.8%	524.4	0.8%	528.6	0.8%	532.9	
34	<b>Total Reserves</b>	<b>485.9</b>	<b>614.0</b>	<b>19.7%</b>	<b>581.8</b>	<b>0.3%</b>	<b>583.3</b>	<b>2.7%</b>	<b>599.3</b>	<b>3.9%</b>	<b>622.9</b>	<b>3.4%</b>	<b>644.3</b>	<b>2.2%</b>	<b>658.7</b>
35	<b>Additions to Reserves</b>														
37	13.3	-101.1	-110.8%	-1.4	944.0%	12.1	60.7%	19.5	-11.7%	17.2	-41.4%	10.1	-44.3%	5.6	
38	27.5	68.9	-89.2%	3.0	30.9%	3.9	3.8%	4.0	3.8%	4.2	3.8%	4.3	3.8%	4.5	
39	<b>Total Change in Reserves</b>	<b>40.8</b>	<b>-32.2</b>	<b>-96.3%</b>	<b>1.5</b>	<b>950.0%</b>	<b>16.0</b>	<b>46.9%</b>	<b>23.5</b>	<b>-9.0%</b>	<b>21.4</b>	<b>-32.6%</b>	<b>14.4</b>	<b>-29.8%</b>	<b>10.1</b>
40	<b>Ending Reserves</b>														
42	95.3	68.3	-29.9%	66.8	18.1%	79.0	24.7%	98.5	17.5%	115.7	8.7%	125.8	4.5%	131.4	
43	431.3	513.5	19.8%	516.5	0.8%	520.4	0.8%	524.4	0.8%	528.6	0.8%	532.9	0.8%	537.4	
44	<b>Total Reserves</b>	<b>526.7</b>	<b>581.8</b>	<b>10.8%</b>	<b>583.3</b>	<b>2.7%</b>	<b>599.3</b>	<b>3.9%</b>	<b>622.9</b>	<b>3.4%</b>	<b>644.3</b>	<b>2.2%</b>	<b>658.7</b>	<b>1.5%</b>	<b>668.8</b>
45	<b>Reserves as a % of Adjusted Governmental Revenues</b>	<b>9.6%</b>	<b>10.4%</b>	<b>10.0%</b>		<b>10.0%</b>		<b>10.0%</b>		<b>10.0%</b>		<b>10.0%</b>		<b>10.0%</b>	
46	<b>Other Reserves</b>														
47	27.7	34.6	4.5%	29.0	0.0%	29.0	0.0%	29.0	0.0%	29.0	0.0%	29.0	0.0%	29.0	
48	M-NCPPC	4.9	7.3	8.2%	5.3	2.8%	5.4	3.2%	5.6	3.0%	5.8	2.8%	5.9	2.9%	6.1
49	MCPS	0.0	45.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	
50	MCG Special Funds	0.9	5.6	56.2%	1.3	1.7%	1.4	4.0%	1.4	4.1%	1.5	3.0%	1.5	3.1%	1.6
51	<b>MCG + Agency Reserves as a % of Adjusted Govt Revenues</b>	<b>10.2%</b>	<b>12.1%</b>	<b>10.6%</b>		<b>10.6%</b>		<b>10.6%</b>		<b>10.6%</b>		<b>10.6%</b>		<b>10.6%</b>	
52	<b>Retiree Health Insurance Pre-Funding</b>														
53	Montgomery County Public Schools (MCPS)	73.0	73.0		57.4		57.4		57.4		57.4		57.4		57.4
54	Montgomery College (MC)	5.6	5.6		1.7		1.7		1.7		1.7		1.7		1.7
55	MNCPPC	2.7	2.7		3.7		3.5		3.4		3.2		3.2		3.2
56	MCG	10.8	10.8		0.0		0.0		0.0		0.0		0.0		0.0
57	<b>Subtotal Retiree Health Insurance Pre-Funding</b>	<b>92.2</b>	<b>92.2</b>		<b>62.8</b>		<b>62.6</b>		<b>62.5</b>		<b>62.3</b>		<b>62.3</b>		<b>62.3</b>
58	<b>Adjusted Governmental Revenues</b>														
59	<b>Total Tax Supported Revenues</b>	<b>5,214.7</b>	<b>5,333.1</b>	<b>5.9%</b>	<b>5,523.4</b>	<b>3.1%</b>	<b>5,693.8</b>	<b>3.2%</b>	<b>5,878.2</b>	<b>2.5%</b>	<b>6,024.5</b>	<b>2.6%</b>	<b>6,178.9</b>	<b>2.8%</b>	<b>6,354.5</b>
60	Capital Projects Fund	131.7	131.7	17.1%	154.3	0.4%	154.9	31.0%	202.9	29.3%	262.4	-5.9%	246.8	-27.9%	179.0
61	Grants	129.2	129.2	5.5%	136.3	2.3%	139.4	2.4%	142.7	2.4%	146.1	2.3%	149.4	2.2%	152.7
62	<b>Total Adjusted Governmental Revenues</b>	<b>5,475.6</b>	<b>5,594.0</b>	<b>6.2%</b>	<b>5,814.0</b>	<b>3.0%</b>	<b>5,988.1</b>	<b>3.9%</b>	<b>6,223.9</b>	<b>3.4%</b>	<b>6,432.9</b>	<b>2.2%</b>	<b>6,575.1</b>	<b>1.7%</b>	<b>6,686.2</b>

# FEMA Reimbursement Update: 03.21.2022

On March 1, 2022, the Federal Government announced that the pandemic emergency declaration was being extended and the period for which reimbursable expenditures could be documented and submitted to FEMA for 100% reimbursement is extended until July 1, 2022. The chart below displays the current progress of documenting, reviewing, and submitting emergency-related expenditures.

Submission Number	Submission Description	Documented Amount as of 3/21/2022	Estimated Latest Date submitted to FEMA for Pre-Submission Review (dates subject to change)	Pre-Submission for FEMA Review and Feedback	Final Submission to FEMA Portal	Actual Reimbursement or Current Status Update
1.0	Personal Protective Equipment and other related purchases by DGS from March - August 2020	\$31.8M	10/23/2020	\$31.8M 10/23/2020	\$31.8M 10/23/2020	\$31.8M 75% on 1/22/2021 25% Approved on 4/1/21
2.0	Personnel Costs from FOP and IAFF represented Employees, ECC, DOT, and HHS from March - August 2020	\$5.6M	11/30/2021	\$5.6M 2/16/2022	\$3.0M Date TBD	Final Portal Submission being evaluated, additional ineligible entries discovered, and additional documentation needed from depts.
2.5	Operating Expenses from various Departments excluding DGS from March - August 2020	\$5.9M	11/23/2021	\$5.9M 2/7/2022	\$4.5M Date TBD	Under final review by OEMHS for portal submission
2.5A	Non-Congregate Sheltering Expenses from March - August 2020	\$1.5M	2/7/2022	\$1.5M	Date TBD	Pre-submission complete. Under final review by OEMHS
2.5B	Food & Delivery Expenses from March - August 2020	\$729K	2/7/2022	\$729K	Date TBD	Pre-submission complete. Under final review by OEMHS
2.5C	PPE & Testing Expenses from March to August 2020	\$13.8K	2/7/2022	\$13.8K	Date TBD	Pre-submission complete. Under final review by OEMHS
3.0	Personal Protective Equipment and other related purchases by DGS from September - October 2020	\$9.9M	1/5/2021	\$8.6M 1/5/2021	\$4.4M 7/2/2021	\$4.4M 9/23/2021
4.0	Personnel Costs from Non-FOP and Non-IAFF represented Employees and other departments from March - August 2020	\$9.4M	2/11/2022	\$1.9M	Date TBD	Pre-submission complete. Under final review by OEMHS; more info needed from depts., now \$1.283M and may go down further, unsure of we will keep whole or split into A/B/C
5.0	Operating Expenses and Personnel Costs from September - October 2020	\$1.3M	2/25/2022		Date TBD	Under review by OEMHS, preparing for pre-submission, additional department info needed
5.0A	Non-Congregate Sheltering Expenses from September - October 2020	\$1.2M	2/25/2022		Date TBD	Under review by OEMHS, preparing for pre-submission, additional department info needed
5.0B	Food & Delivery Expenses from September - October 2020	\$2.5M	2/25/2022		Date TBD	Under review by OEMHS, preparing for pre-submission, additional department info needed
5.0C	PPE & Testing Expenses from March to August 2020	\$8.8M	2/25/2022		Date TBD	Under review by OEMHS, preparing for pre-submission, additional department info needed
6.0	Operating Expenses and Personnel Costs from November - December 2020	\$14.7M	2/28/2022	\$9.2M	Date TBD	Under review by OEMHS, preparing for pre-submission, additional department info needed
6.0A	Non-Congregate Sheltering Expenses from November - December 2020	\$1.7M	2/28/2022	\$1.7M	Date TBD	Under review by OEMHS, preparing for pre-submission, additional department info needed
6.0B	Food & Delivery Expenses from November - December 2020	\$3.5M	2/28/2022	\$3.5M	Date TBD	Under review by OEMHS, preparing for pre-submission, additional department info needed
6.0C	PPE & Testing Expenses from November - December 2020	\$7.0M	2/28/2022	\$7.0M	Date TBD	Under review by OEMHS, preparing for pre-submission, additional department info needed
7.0	Operating Expenses and Personnel Costs from January - February 2021	\$19.2M	2/11/2022	\$4.2M	Date TBD	Pre-submission complete. Under final review by OEMHS; OEMHS responding to FEMA's comments
8.0	Operating Expenses and Personnel Costs from March-December 2021	TBD	Date TBD		Date TBD	Data collection in progress
9.0	Test Kit Purchases - February 2022	\$25.0M	2/11/2022	\$25.0M	Date TBD	Supporting eligibility narrative submitted to FEMA for review; some additional documentation needed
10.0	Operating Expenses and Personnel Costs from January - June 2022	TBD	Date TBD		Date TBD	Data collection to begin TBD; period of emergency was extended to 7/1/2022



**DRAFT RESOLUTION AS AMENDED BY GO/HHS COMMITTEE**

Resolution No: \_\_\_\_\_

Introduced: \_\_\_\_\_

Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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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, \$78,127,154

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	\$78,127,154	\$0	\$78,127,154	County General Fund Reserves

**DRAFT RESOLUTION AS AMENDED BY GO/HHS COMMITTEE**

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 MCPS, \$3,000,000;
  - Shelters and housing individuals at hotels, \$8,700,000; and
  - Response to the Rock Creek flood, \$100,000.
4. On March 2, 2022, the County Executive recommended an increase to the supplemental appropriation of \$8,436,154 for COVID-19 pandemic expenses related to an extension of emergency procurements with three labs used by DHHS for COVID testing.
5. In total, the County Executive recommends a supplemental appropriation to the FY22 Operating Budget in the amount of \$78,127,154 for COVID-19 and Rock Creek emergency expenses and specifies that the source of funds will be General Fund Reserves.
6. 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	\$78,127,154	\$0	\$78,127,154	County General Fund Reserves

This is a correct copy of Council action.

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Selena Mendy Singleton, Esq.  
Clerk of the Council