

AGENDA ITEM #13
June 30, 2009

Public Hearing/Action

MEMORANDUM

June 26, 2009

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Public Hearing/Action: Supplemental Appropriation to the FY09 Operating Budget of the Montgomery County Government; Department of Housing and Community Affairs; Weatherization Assistance Grant \$5,479,944 (Source of Funds: State Grant)**

In order to expedite the appropriation of these Federal funds, the Chair of the PHED Committee agreed to forward this item directly to the Council for action. Therefore, there is no Committee recommendation.

This supplemental appropriation was introduced on June 16, 2009.

Background

The Maryland Department of Housing and Community Development has awarded Montgomery County \$5,479,944 for the Weatherization Assistance Program. A press release describing the efforts that will be undertaken with the dollars is attached at © 6-7. The program serves eligible households with incomes below 200% of the Federal poverty level or 60% of the area median income. A maximum of \$6,500 in assistance can be provided for improving insulation, air systems, lighting, hot water heaters and furnaces. It is expected that households could save between \$300 and \$400 per year in energy costs.

The county will use \$150,000 of the grant funds for personnel costs for current DHCA staff who will be assigned to this effort. Any additional administrative assistance or assistance with inspections will be provided through contractual services as will the direct services for energy audits and improvements.

Attached to this memo

Circle

Memo from Executive	1
Approval Resolution	2-3
Request Summary	4-5
6/18/2009 Press Release	6-7



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

June 12, 2009

TO: Phil Andrews, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation #09-273 to the FY09 Operating Budget
Montgomery County Government
Department of Housing and Community Affairs
Weatherization Assistance Grant

I am recommending a supplemental appropriation to the FY09 Operating Budget of the Department of Housing and Community Affairs in the amount of \$5,479,944 for the Weatherization Assistance Program.

This increase is needed because funding has been made available to the County by the federal Department of Energy through the State of Maryland Department of Housing and Community Development (MDDHCD) to operate a weatherization assistance program for low-income families.

I recommend that the County Council approve this supplemental appropriation in the amount of \$5,479,944 and specify the source of funds as State funds. This supplemental does not require matching funds.

I appreciate your prompt consideration of this action.

IL:sns

Attachment: Supplemental Appropriation #09-273

cc: Kathleen Boucher, Assistant Chief Administrative Officer
Thomas Street, Assistant Chief Administrative Officer
Joseph F. Beach, Director, Office of Management and Budget
Richard Y. Nelson, Jr., Director, Department of Housing and Community Affairs
Uma S. Ahluwalia, Director, Department of Health and Human Services
Beryl Feinberg, Office of Management and Budget
Jennifer Bryant, Office of Management and Budget

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #09-273 to the FY09 Operating Budget
Montgomery County Government
Department of Housing and Community Affairs
Weatherization Assistance Grant \$5,479,944

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 FY09 Operating Budget appropriation increases for the Department of the Housing and Community Affairs:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$150,000	\$5,329,944	-0-	\$5,479,944	State

3. This increase is needed because funding has been made available to the County by the Federal Department of Energy through the State of Maryland to operate a Weatherization Assistance Program for low income families.
4. The County Executive recommends a supplemental appropriation to the FY09 Operating Budget in the amount of \$5,479,944 for the Weatherization Assistance Program and specifies that the source of funds will be State funds.
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 FY09 Operating Budget of the Department of Housing and Community Affairs is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
\$150,000	\$5,329,944	-0-	\$5,479,944	State

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

OPERATING BUDGET

SUPPLEMENTAL OR SPECIAL APPROPRIATION REQUEST SUMMARY

1. Please fill in the following table:

Agency	
Department	Department of Housing and Community Affairs
Fund (County Government only)	State Funds
Fiscal year	09
Supplemental or Special	Supplemental
Operating or Capital budget	Operating

2. What is the amount and source of funding?

Source of funding (Please list sources)	Amount
State of Maryland	\$5,479,944
Total request	\$5,479,944

3. Is the request one-time or continuing? If continuing and funded by a grant, what will you do when the grant ends?

One time

4. Please provide a brief description, justification, expected outcomes, and how the outcomes will be measured.

Funding has been made available through from the State of Maryland to operate a Weatherization Program.

Outcomes will be measured by the number of homes weatherized.

5. Please explain why you did not request this during the annual budget process.

Funding has just been made available through the State of Maryland.

6. For your agency, what is the current fiscal year budget for the relevant fund and what is the latest estimate? (do not fill out if the appropriation is funded entirely by a non-County grant)

Budget for current fiscal year for the relevant fund	
+ Supplemental/special appropriations already approved	
= Revised budget for current fiscal year	
Latest estimate of spending for current year	

7. County Government only: For your department or fund, whichever is applicable, what is the current fiscal year budget and what is the latest estimate? (do not fill out if the appropriation is funded entirely by a non-County grant)

Budget for current fiscal year for the department:	
+ Supplemental/special appropriations already approved	
= Revised budget for current fiscal year	
Latest estimate of spending for current year	



MONTGOMERY COUNTY, MARYLAND

News Release

For Immediate Release: 6/18/2009

Governor O'Malley Announces Expansion of Home Weatherization Program; Announcement includes weatherization projects among the first in the nation funded through the American Recovery and Reinvestment Act

Governor Martin O'Malley today joined Montgomery County Executive Isiah Leggett and other officials to formally announce Maryland's first steps in expanding its home weatherization program, designed to benefit thousands of low-income families throughout the state. The Governor participated in a home energy efficiency audit at the home of Richard and Sonja Lowery in Silver Spring.

"As families throughout Maryland struggle to pay their energy bills, we are able to take significant steps to reduce their energy costs, while ensuring their health and safety, thanks to the President's economic recovery plan," said Governor O'Malley. "These audits may seem trivial on an individual basis, but the fact is that families could save between \$300 and \$400 per year with simple energy efficiency improvements. If every household in the state of Maryland swapped out one incandescent light bulb for a compact florescent bulb, it would save enough energy to power over 6,300 homes for one full year."

More than \$61 million in federal American Recovery and Reinvestment Act (ARRA) funds will be provided to the State of Maryland for its Weatherization Assistance Program. Of this, \$44.5 million will be used for home weatherization improvements and approximately \$11 million is targeted for training and technical assistance.

"The Recovery Act is putting people back to work and helping homeowners save money," said Congressman Chris Van Hollen, whose District includes the home Governor O'Malley visited today. "With these home weatherization funds being distributed to Maryland families, more than 9,400 homes will see their heating bills drop by a third. I applaud Governor O'Malley and County Executive Leggett for working tirelessly to see that these funds are getting out into the community and helping to get our economy moving again."

The Weatherization program, which is managed by the Maryland Department of Housing and Community Development, benefits low-income families by providing a maximum of \$6,500 in weatherization-related services such as air infiltration reduction, insulation, hot water system improvements, lighting retrofits and furnace repairs or improvements.

"Montgomery County is proud to host this home weatherization program for low-income homeowners, among the first in the nation funded through the Recovery and Reinvestment Act," said County Executive Isiah Leggett. "These federal Recovery monies help homeowners save energy and save money on utility costs -- and help preserve and create jobs. The Lowery family is only the first of hundreds of County families who will benefit."

The County signed a Memorandum of Understanding with the State to provide weatherization services to those low-income households eligible for assistance under the program guidelines, which will in turn be reimbursed by the State using ARRA funds. The agreement runs through 2012.

Over the three years that Maryland is expected to receive ARRA weatherization funding, about 6,800 homes are estimated to be weatherized, compared to about half that amount served in the previous three years. At least 150 "green" jobs are expected to be created through Local Weatherization Agencies.

To qualify for weatherization assistance, families must have household incomes below 200% poverty level, or 60% median income. Families who may qualify are encouraged to contact their Local Energy Office by calling 800-638-7781 or through Maryland's assistance website problemsolver.maryland.gov.

Eighteen Local Weatherization Agencies prioritize the requests for weatherization services based on special population needs, including families with children, families with no heat, the elderly and people with disabilities. These agencies contact individual homeowners to set up appointments to inspect the property, where a professionally trained energy efficiency auditor conducts an on-site inspection to determine the most cost-effective measures that are appropriate for the home. The auditor also develops a work plan for items that need to be addressed.

"Our weatherization efforts not only reflect our commitment to a Smart, Green and Growing agenda, but it also highlights our focus on job creation as Maryland families along with everyone else around the nation continue to be challenged by this tough economy," said Maryland Housing and Community Development Secretary Raymond A. Skinner.

The State's enhanced weatherization effort also includes the creation of a Maryland Weatherization Training Center and institutional career paths through community colleges. State agencies are working with a consortium of Maryland community colleges to put together a statewide training program.

Under Governor Martin O'Malley's EmPOWER Maryland initiative, the State of Maryland will reduce energy consumption by 15 percent by the year 2015. Recent State initiatives, including the Regional Greenhouse Gas Initiative cap-and-trade program and Clean Cars Act, have put the State on track to reduce greenhouse gases by 12.5 percent -- half of the 25 percent reduction goal. These actions, along with the Climate Change Commission's Climate Action Plan that details 42 options to reduce greenhouse gas emissions, demonstrate that this reduction goal is achievable and beneficial.

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Media Contact: Shaun Adamec 410-974-2316 or Christine Hansen 410-974-2316

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