



Montgomery
County Council

Committee: Directly to Council

Committee Review: N/A

Staff: Craig Howard, Deputy Director

Purpose: To receive testimony/final action - vote expected

Keywords: Coronavirus, COVID-19

AGENDA ITEM #19

April 21, 2020

Public Hearing/Action

SUBJECT

Special Appropriation to the Fiscal Year 2020 Operating Budget, Montgomery County Government, Department of Finance, Economic Development Fund – Public Health Emergency Grant Program, \$5,000,000 (Source of Funds: General Fund Reserves)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

None

DESCRIPTION/ISSUE

The County Council will hold a public hearing and consider action on a resolution to the FY20 Operating Budget, Montgomery County Government, Department of Finance, Economic Development Fund, \$5,000,000 for the Public Health Emergency Grant Program. The Source of Funds is General Fund Reserves.

SUMMARY OF KEY DISCUSSION POINTS

- On March 31, the County Council approved Expedited Bill 16-20 to create a Public Health Emergency Grant Program to assist local businesses that demonstrate significant financial loss caused directly or indirectly by a public health emergency. Expedited Bill 16-20 requires that the Executive must reserve at least one-quarter of the funds appropriated for the program for local businesses that operate a restaurant or a retail storefront establishment.
- On March 31, the County Council approved a Special Appropriation for \$20 million to the Economic Development Fund to provide funding for the Public Health Emergency Grant Program. It is anticipated that the need for funding for qualified local restaurant or retail storefront establishments will exceed current funding levels.
- This special appropriation is needed to provide additional funding for the Public Health Emergency Grant Program for local businesses that operate a restaurant or a retail storefront establishment. This funding must be in addition to the \$5 million reserved for these businesses in the original \$20 million special appropriation for this Program. The County will seek reimbursement from the federal and state government for any eligible costs. The Council introduced this special appropriation on April 14.

This report contains:

Special Appropriation Resolution

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Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead sponsor: County Council

SUBJECT: Special Appropriation to the Fiscal Year 2020 Operating Budget
Montgomery County Government
Department of Finance
Economic Development Fund, Public Health Emergency Grant Program –
\$5,000,000 (Source of Funds: General Fund Reserves)

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. A new coronavirus disease, named COVID-19, appeared in China in December 2019 and spread extremely quickly. On March 11, 2020 the World Health Organization declared the disease a pandemic. The March 20, 2020 situation report from the World Health Organization stated that the number of confirmed cases worldwide has exceeded 200,000. It took over three months to reach the first 100,000 confirmed cases, and only 12 days to reach the next 100,000.
3. To slow the spread of the disease, Governor Hogan declared a State of Emergency and has issued several Executive Orders with actions that include, but are not limited to, closing schools; closing senior centers and adult medical day care programs; limiting the number of people that can gather; and closing all gyms, movie theaters, and bars and restaurants (excluding carryout and delivery service).
4. The efforts to contain the spread of the disease and the disease itself could have a crippling impact on Montgomery County's local business community.

5. On March 31, 2020 the County Council approved Expedited Bill 16-20 to create a Public Health Emergency Grant Program to assist local businesses that demonstrate significant financial loss caused directly or indirectly by a public health emergency. This program will provide emergency grants for local businesses and non-profits with 100 employees or less that are struggling to survive the economic impact of COVID-19. This program will provide grants of up to \$75,000 per business or non-profit organization, and will also provide mini-grants of up to \$2,500 for teleworking technology and software. Expedited Bill 16-20 requires that the Executive must reserve at least one-quarter of the funds appropriated for the program for local businesses that operate a restaurant or a retail storefront establishment.

6. On March 31, 2020 the County Council approved a Special Appropriation for \$20.00 million to the Economic Development Fund to provide funding for the Public Health Emergency Grant Program. It is anticipated that the need for funding for qualified local restaurant or retail storefront establishments will exceed current funding levels.

7. A FY20 Operating Budget special appropriation is requested for the Economic Development Fund:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$5,000,000	\$5,000,000	General Fund Undesignated Reserve

8. This special appropriation is needed to provide additional funding for the Public Health Emergency Grant Program for local businesses that operate a restaurant or a retail storefront establishment. This funding must be in addition to the \$5 million reserved for these businesses in the original \$20 million special appropriation for this Program. The County will seek reimbursement from the federal and state government for any eligible costs. The Source of Funds is General Fund Reserves.

9. Notice of public hearing was given and a public hearing was held.

Action

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

A special appropriation to the FY20 Operating Budget of the Economic Development Fund is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$5,000,000	\$5,000,000	General Fund Undesignated Reserve

The funds will be used to assist local restaurant or retail storefront businesses during the COVID-19 health crisis under the Public Health Emergency Grant Program.

This appropriation is needed to act without delay in the public interest.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council