



Committee: Directly to Council
Committee Review: N/A
Staff: Craig Howard, Deputy Director
Purpose: To Introduce an agenda item and take Final Action
– vote expected

AGENDA ITEM #20W
December 14, 2021
Introduction/Action

SUBJECT

Amendment to Resolution 19-498, Special Appropriation to the Fiscal Year 2020 Operating Budget, Montgomery County Government, Federal Coronavirus Relief Fund NDA

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction/Action
- An amendment to an approved resolution can be introduced and acted upon in the same Council session and does not require the Council to waive its rules of procedure.

DESCRIPTION/ISSUE

The County Executive recommends amending Resolution 19-498 to authorize the use of Federal CRF dollars for two previously approved appropriations that were funded with General Fund dollars – Winterization of Streeteries (\$1.25 million) and Conference Center Assistance (\$2.5 million).

SUMMARY OF KEY DISCUSSION POINTS

- Resolution 19-498, adopted by the Council on June 16, 2020, authorizes uses for funds in the Federal Coronavirus Relief Fund NDA.
- The Executive's proposed amendment would authorize use of funds in the NDA to reimburse the General Fund for the following special appropriations:
 - Resolution 19-960: Special Appropriation to the FY 2021 Operating Budget, Montgomery County Government, Community Engagement Cluster, Support for COVID-19 Response – Winterization for Streeteries, \$1,250,000; and
 - Resolution 19-709: Special Appropriation to the FY 2021 Operating Budget, Montgomery County Government, Conference Center Non-Departmental Account, \$2,500,000.

This report contains:

Coronavirus Relief Fund Update Memo from CAO (November 5, 2021)
Draft resolution

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

Richard S. Madaleno
Chief Administrative Officer

MEMORANDUM

November 5, 2021

TO: Tom Hucker, President
County Council

FROM: Richard S. Madaleno, Chief Administrative Officer

SUBJECT: Update – Coronavirus Relief Fund

As the Department of Finance and the Office of Management and Budget (OMB) finalize the Fiscal year 2021 closeout, I would like to update the Council on the County's uses of the Federal Coronavirus Relief Funds (CRF). As you know, the County received \$183.3 million in CRF funds from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to cover necessary expenditures incurred due to the COVID-19 public health emergency. Initially the funds were required to have been spent by December 30, 2020; Congress subsequently extended the deadline to incur costs until December 31, 2021.

Attachment 1 shows the status of special appropriations funded with CRF dollars. OMB has reached out to all departments with the remaining capacity to determine if any CRF dollars could remain unspent by the December 31, 2021 deadline. As shown in the table and considering repurposed dollars, Council appropriated a net of \$72,284,176 to these programs. Of that amount, \$62,902,209 has been booked to the CRF to date. Of the remaining amount to be spent, department staff estimate that \$2,888,337 will not be spent before the end of the calendar year and can be repurposed for CRF related expenditures that have already been incurred.

Attachment 2 shows the status of the \$115,636,325 appropriated by Council in Resolution 19-498 (\$80,000,000) and Resolution 19-659 (\$35,636,325) for the CRF Non-Departmental Account. In those resolutions, Council specifically authorized a number of to spend funds including those pandemic-related special appropriations passed by Council early on in the pandemic and funded by the General Fund. Of the total amount appropriated under these resolutions, \$107,836,598 has been booked to the CRF to-date or, in the instance of the appropriation for eviction prevention and rental assistance, will be booked to the CRF by the end of the calendar year.

Attachment 3 shows the status of the appropriation authority provided by the Council to spend CRF dollars. Considering dollars repurposed by Council, Council appropriated a total of \$187.9 million in CRF dollars, while the County received \$183.3 million. Based on the spending assumptions shown in Attachment 1 and Attachment 2, as well as current spending patterns, the amount to be spent by

December 31, 2021 is estimated to be \$177,259,437. This would leave \$6,077,516 in funds that could be allocated to eligible expenditures that have already been incurred.

Since providing the last update to Council on CRF dollars, it has been determined that expenditures related to maintaining the COVID-19 related lines of credit will not be eligible for reimbursement from our American Rescue Plan Act (ARPA) dollars. I have directed OMB and Finance to charge these expenditures to the CRF dollars through the end of this calendar year (\$722,292) under the authority previously approved by the Council. In addition, Council previously approved two pandemic-related appropriations and funded them through General Fund dollars – Resolution 19-690 Winterization for Streeteries and Resolution 19-709 Conference Center assistance. In total \$3,382,243 has been spent between these two appropriations that could be booked to the CRF. Therefore, we are requesting that Council adopt the attached resolution to allow us to use CRF dollars for these already incurred expenditures. Of the estimated remaining \$1,972,981, these funds will be allocated under Resolution 19-498 and subsequent resolutions for currently authorized pandemic-related expenditures that have already been incurred that are not eligible for reimbursement from the Federal Emergency Management Agency (FEMA).

Since the last FEMA-related update, the County has received an additional \$4.4M in reimbursements from FEMA. Additionally, FEMA extended the eligibility period for reimbursable expenses to the end of the current calendar year and issued new guidance that expanded the eligibility of PPE and cleaning supplies used in the reopening of facilities that will permit the County to re-submit an additional \$2.0M that was initially rejected. The majority of the current work resides with the County's contractor responsible for processing, reviewing, and packaging final submissions. There has been some additional complexity, as the contractor is using an approach that breaks apart previously defined submissions into pieces that can be submitted sooner versus those that require additional documentation (so as not to bog the process down completely), and also combines other pieces of submissions to comply with FEMA's revised set of project categories.

OMB will continue to monitor expenditures of the funds authorized under the CRF related special appropriations to ensure that funds are spent by the December 31 deadline. After expenditures have been reconciled in the new year, we will provide the Council with a closeout report.

RSM:jw

Attachments

Cc: Jennifer R. Bryant, Director, Office of Management and Budget
Michael Coveyou, Director, Department of Finance
Marlene Michaelson, Executive Director, Office of the County Council

Resolution No: _____

Introduced: _____

Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

SUBJECT: Amendment to Resolution 19-498 Special Appropriation #20-464 to the
Fiscal Year 2020 Operating Budget
Montgomery County Government Federal Coronavirus Relief Fund (NDA)

Background

1. On March 27, 2020 the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted. The CARES Act established the Coronavirus Relief Fund (CRF) and appropriated \$150,000,000,000 to the fund. Under the CARES Act, the fund was to be used to make payments for specified uses to States and certain local governments, and Montgomery County was eligible to receive \$183,336,953 from the Federal CRF. On April 14, 2020 the County submitted an application to access the CRF funds. As required by the CARES Act, the County Executive certified that the funds would only be used to cover costs that: are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); were not accounted for in the County budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act); and were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021. The full \$183,336,953 Federal grant has been received by the County.
2. On June 16, 2020 the County Council adopted Resolution 14-498, a Special Appropriation to the FY20 Operating Budget for Montgomery County Government. This Special Appropriation allocated \$80,000,000 from the funds received under the CRF to the Federal Coronavirus Relief Fund Non-Departmental Account (NDA). In a subsequent action (Resolution 19-659) Council appropriated an additional \$35,636,325 for the NDA. The resolutions stated that the funds in the NDA may be used to pay for any County or municipal expenditure that is eligible under the CARES Act related to the specified purposes listed in the resolutions. Any COVID-19 related expenditure not listed in the resolutions would require the approval of the County Council.
3. The County Executive is requesting additional allowed uses for the funds in the NDA. This will allow the County to recognize CRF allowable expenditures that have previously been paid for with General Fund dollars.

Action

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

The Council approves an amendment to Resolution 19-498, authorized uses for funds in the Federal Coronavirus Relief Fund NDA (COVID NDA).

The General Fund was designated as the source of funding for the following previously approved special appropriations. Funds in the COVID NDA may be used to reimburse the General Fund for the following special appropriations:

Resolution 19-690: Special Appropriation to the Fiscal Year 2021 Operating Budget Montgomery County Government, Community Engagement Cluster, Support for COVID-19 Response – Winterization for Streeteries (\$1,250,000); and

Resolution 19-709: Special Appropriation to the FY 2021 Operating Budget, Montgomery County Government, Conference Center Non-Departmental Account (\$2,500,000).

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council

Attachment 1
CRF Funded Special Appropriations

Resolution	Purpose	Source of Funds	Dept/NDA	Full Appropriation Amount	Final CRF Allocation	Amount Spent	Remaining Allocation	Department Estimated Remaining 12/31/2021	Notes
19-499	3R Program (Reopen, Relaunch, Reimagine) - Economic Development	Unused funds from 19-438 & 19-454	MCEDC NDA	\$500,000	\$500,000	\$500,000	\$0	\$0	
19-500	Early Care and Education Initiative Recovery Fund (assistance to childcare providers)	Federal Grant Funds	Early Care and Education Initiative NDA	\$10,000,000	\$10,000,000	\$9,999,336	\$664	\$664	
19-506	Food Assistance/Security	Federal Grant Funds	COVID-19 Human Services and Community Assistance NDA	\$10,300,000	\$300,000	\$299,660	\$340	\$340	Of this appropriation, \$10M is directly related to food security and is eligible for FEMA reimbursement. Of the total appropriation, \$300,000 in administrative and development costs for the Food Security Fund administrative organization is not eligible for FEMA reimbursement and will be paid with CRF dollars.
19-522	COVID-19 Arts Relief Fund	Federal Grant Funds	Arts and Humanities Council NDA	\$3,250,000	\$3,250,000	\$3,250,000	\$0	\$0	
19-523	Reopen Montgomery Initiative	Federal Grant Funds and Unused PHEG Funds	Economic Development Fund	\$14,000,000	\$7,938,844	\$7,941,969	(\$3,125)	\$0	Of the initial \$14M appropriation, \$5,050,000 was repurposed for 19-646 the Tourism Stabilization Grant Program (all spent) and \$1,011,156 for 19-782 the Small Business Rental Assistance Program (all spent) - leaving the remaining appropriation of \$7,938,844 for Reopen Montgomery.
19-524	Maryland Tech. Council - Business Continuity Task Force	Federal Grant Funds	County Executive's Office	\$250,000	\$250,000	\$250,000	\$0	\$0	
19-535	Business Assistance for Medical and Dental Clinics	Federal Grant Funds	COVID-19 Human Services and Community Assistance NDA	\$3,000,000	\$3,000,000	\$2,756,528	\$243,472	\$225,412	\$2.5M in direct assistance to clinics has been spent. Of the remaining \$500,00 for Montgomery Cares community clinics, DHHS estimates that \$225,412 will be unspent. The Montgomery Cares program is utilization based driven by County residents needed/seeking access to health care services. The unused funding results from underutilization of the program by residents. HHS is working with OEMHS to determine if any of the remaining expenditures could be eligible for FEMA reimbursement.
19-551	Assistance to Distressed, Affordable Common Ownership Communities	Federal Grant Funds	COVID-19 Human Services and Community Assistance NDA	\$2,025,000	\$2,025,000	\$69,996	\$1,955,004	\$1,955,004	Program is closed. DHCA contracted with LEDC to distribute the funds to associations. Nine associations received funds under the program.
19-556	Permanent Supportive Housing for Veterans and Unsheltered Adults	Federal Grant Funds (\$118,335) / General Fund Reserves (\$236,665)	HHS	\$355,000	\$118,335	\$66,326	\$52,009	\$0	OMB will continue monitoring - the Department has indicated there is a possibility of some unspent funds as a result of the vendor administering the program.
19-557	Rental Assistance and Eviction/Homelessness Prevention	Federal Grant Funds	COVID-19 Human Services and Community Assistance NDA	\$20,000,000	\$20,000,000	\$17,542,696	\$2,457,304	\$0	The overall program has provided \$32M in rent relief across all sources. The Department is still working on tracking down the breakdown of assistance by funding source, but given the need for eviction prevention and rental assistance, the remaining funds should be spent by the end of the CY21.

Resolution	Purpose	Source of Funds	Dept/NDA	Full Appropriation Amount	Final CRF Allocation	Amount Spent	Remaining Allocation	Department Estimated Remaining 12/31/2021	Notes
19-560	Hospitality and Tourism Support	Federal Grant Funds	Conf. & Visitors Bureau NDA	\$200,000	\$200,000	\$200,000	\$0	\$0	
19-564	COVID-19 Support Mental Health Hotline (EveryMind)	Federal Grant Funds (\$300,000) / General Fund Reserves (\$95,000)	HHS	\$395,000	\$300,000	\$300,000	\$0	\$0	
19-565	Latino Health Initiative - Por Nuestra Salud y Bienestar	Federal Grant Funds (\$4,643,567) / General Fund Reserves (\$952,548)	COVID-19 Human Services and Community Assistance NDA	\$5,596,115	\$4,643,567	\$4,146,372	\$497,195	\$0	HHS is working with OEMHS to ensure that all FEMA reimbursable costs are submitted for FEMA reimbursement. There is a possibility that some remaining costs are eligible for FEMA, thus freeing up CRF dollars to be repurposed for other already incurred expenditures.
19-582	African American Health Program COVID Response	Federal Grant Funds	COVID-19 Human Services and Community Assistance NDA	\$3,354,084	\$3,354,084	\$2,788,989	\$565,095	\$0	HHS is working with OEMHS to ensure that all FEMA reimbursable costs are submitted for FEMA reimbursement. There is a possibility that some remaining costs are eligible for FEMA, thus freeing up CRF dollars to be repurposed for other already incurred expenditures.
19-589	Countywide Program - Youth Sports Initiative	Federal Grant (CUPF) (\$500,000)/General Fund Reserves (REC) (\$500,000)	CUPF / Recreation	\$1,000,000	\$500,000	\$377,772	\$122,228	\$0	CUPF expects the remainder will be used in the fall in conjunction with HHS and MCPS funding to pay for out of school youth sports and recreational programming events that occur during days that MCPS is not scheduled for full instructional day.
19-590	Youth Sports Initiative	Federal Grant Funds	COVID-19 Human Services and Community Assistance NDA	\$550,000	\$550,000	\$550,000	\$0	\$0	
19-611	School-Age Child Care During Distance Learning	Federal Grant Funds	Early Care and Education Initiative NDA	\$7,687,000	\$7,687,000	\$4,195,219	\$3,491,781	\$706,917	There are approved payments totaling \$6,980,083, which can be billed through the end of October since this includes brokers to finish the work. The Department estimates \$706,917 will not be spent by the end of CY21.
19-644	Educational Enrichment and Equity Hubs	Federal Grant Funds (\$1.2M) / General Funds (\$600k)	Children's Opportunity Fund	\$1,800,000	\$1,200,000	\$1,200,000	\$0	\$0	
19-645	COVID-19 Arts Relief Fund	Federal Grant Funds	Arts and Humanities Council NDA	\$406,190	\$406,190	\$406,190	\$0	\$0	
19-646	Tourism Stabilization Grant Program	Unused Reopen Montgomery Grant Funds	CEX	\$5,050,000	\$5,050,000	\$5,050,000	\$0	\$0	
19-782	Small Business Rental Assistance	Federal Grant	CEX	\$1,011,156	\$1,011,156	\$1,011,156	\$0	\$0	
Total				\$90,729,545	\$72,284,176	\$62,902,209		\$2,888,337	

Attachment 2 CRF NDA Uses

Resolution	Purpose	Source of Funds	Dept/NDA	Full Appropriation Amount	Final CRF Allocation	Amount Spent/Will be Spent by December 31	Notes
19-498	CRF NDA Appropriation				\$80,000,000		
19-659	CRF NDA Appropriation				\$35,636,325		
19-407	Food Security - Manna Food	GF Reserves*	HHS	\$260,000	\$260,000	\$0	Food security expenditures are eligible for FEMA reimbursement and not booked to CRF.
19-408	Hotel/Motel Rooms for Medical and Front Line Staff	GF Reserves*	Conference and Visitors Bureau NDA	\$250,000	\$250,000	\$37,700	Program is closed. Remaining funds in the appropriation can be repurposed.
19-409	PHEG Grant Program	GF Reserves*	Finance	\$20,000,000	\$20,000,000	\$19,999,999	Of total provided in the PHEG Grant Program (via Resolution 19-409 & 19-425), 6,751 total applications were received; 2,344 grants were awarded for a total of \$20,916,451 (includes \$646,125 in telework grants); Average grant award was \$8,923; and \$6.7 Million was awarded to 720 retail and restaurant establishments.
19-425	PHEG Grant Program	GF Reserves*	Finance	\$5,000,000	\$916,452	\$916,452	All funds dispersed.
19-426	Local PPE Production	GF Reserves*	MCEDC NDA	\$100,000	\$100,000	\$100,000	All funds dispersed.
19-427	PPE Purchase by DGS	GF Reserves*	DGS	\$250,000	\$250,000	\$0	PPE related expenditures are eligible for FEMA reimbursement and not booked to CRF.
19-432	Emergency Eviction Prevention and Rental Assistance	GF Reserves*	COVID-19 Human Services and Community Assistance NDA	\$2,000,000	\$2,000,000	\$2,000,000	To date, HHS has applied \$1,061,323 of CRF dollars toward this appropriation. Given the need for eviction prevention and rental assistance, HHS advises that all of these funds will be spent by the CRF deadline.
19-437	Food Assistance/Security	GF Reserves*	COVID-19 Human Services and Community Assistance NDA	\$750,000	\$750,000	\$0	Food security expenditures are eligible for FEMA reimbursement and not booked to CRF.
19-438	Telework Assistance Program - County Businesses	GF Reserves*	MCEDC NDA	\$250,000	\$250,000	\$250,000	All funds dispersed
19-454	Telework Assistance Program - County Businesses	GF Reserves*	MCEDC NDA	\$1,250,000	\$791,000	\$791,000	Funds have been disbursed. The remaining \$459,000 was transferred to the 3R program per Council resolution 19-499.
19-490	Unemployment Insurance Outreach	GF Reserves*	Worksource Montgomery NDA	\$40,000	\$40,000	\$0	Will not be needed before end of CRF grant period.
19-498	Coronavirus Relief Fund NDA - Montgomery County Government Operations	Federal Grant Funds	CRF NDA	\$115,636,325	\$88,832,173	\$82,571,747	The Revised Allocation amount reflects only the portion of the appropriation under 19-498 that was allocated for County government operations plus the amount allocated by Council under 19-659, and not for earlier appropriations initially funded with General Fund Reserves (those appropriations above this line). \$70 million in hazard pay differential that is ineligible for FEMA reimbursement has been moved to the CRF. The amount remaining will be used to cover any additional administrative costs associated with other CRF funded programs created by Council. The hazard pay differential ended 2/13/21 at a total cost of \$88.7 million.
19-659	Essential Provider Childcare Supplement			\$1,196,700	\$1,196,700	\$1,196,700	
Total					\$115,636,325	\$107,863,598	

Attachment 3 Status of Appropriation Authority			
		Amount	
Federal Allocation		\$183,336,953	
	Appropriation Authority	Amount Booked and to be Booked by Dec 31	Remaining Authority
CRF NDA	\$115,636,325	\$107,863,598	\$7,772,727
Other Apps	\$72,284,176	\$69,395,839	\$2,888,337
Total	\$187,920,501	\$177,259,437	\$10,661,064
		Amount	
To be Allocated		\$6,077,516	