



Committee: Directly to Council
Committee Review: N/A
Staff: Carolyn Chen, Legislative Analyst ^{CJC}
Purpose: To receive testimony/final action - vote expected
Keywords: #communitygrants #grants #ogm

AGENDA ITEM #8
July 25, 2023
Public Hearing/Action

SUBJECT

Special Appropriation #24-1 to the FY24 Operating Budget of the Community Grants Non-Departmental Account (NDA), \$1,500,000 for the Non-Profit Technical Assistance and Management Support (NTAMS) Grants, and the Underserved Communities Projects (UCP) Grants Programs (Source of Funds: General Fund Undesignated Reserves)

EXPECTED ATTENDEES

None.

COUNCIL DECISION POINTS

[Special Appropriation #24-1 transmitted by the County Executive on July 11, 2023](#) and [introduced on July 18, 2023](#) as Agenda Item #2L. Public Hearing to receive testimony and consideration for Council Action - motion is required for vote.

SUMMARY OF KEY DISCUSSION POINTS

- On July 11, the County Executive submitted a special appropriation to the FY24 for the Community Grants NDA to re-appropriate \$1,500,000 in unspent FY23 funding for the Non-Profit Technical Assistance and Management Support (NTAMS) Grants Program, and the Underserved Communities Projects (UCP) Grants Programs.
- The Council appropriated \$1.5 million for these programs in FY23. However, the Executive reports that agreements implementing these grants were unable to be executed prior to the end of FY23. The Executive also notes that an unintentional accounting error under-accrued FY22 funds in this account which reduced carryforward budget authority into FY23. This accounting error was discovered prior to finalization of NTAMS and UCP grant agreements. The lack of negotiated grant agreements combined with the loss of the requisite amount of carryforward budget which reduced the financial resources of the NDA, precluded the awarding of funds in FY23 under these programs.
- Because these funds were not spent in FY23 as planned, the \$1.5 million accrued to General Fund Undesignated Reserves at the end of the fiscal year – resulting in reserves that are \$1.5 million higher than anticipated when the Council approved the FY24 budget. This special appropriation would allow both grant programs to proceed during FY24 as originally planned in FY23.

This report contains:

[Staff Introduction Memo – July 18, 2023](#)

Memo from Executive – July 11, 2023

Special Appropriation #24-1 Resolution

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

July 11, 2023

TO: Evan Glass, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Appropriation #24-1 to the FY24 Operating Budget
Montgomery County Government Community Grants - NDA
Non-Profit Technical Assistance and Management Support Grants, and
Underserved Communities Projects Grants \$1,500,000
(Source of Funds: General Fund: Undesignated Reserves)

I am recommending a special appropriation to the FY24 Operating Budget of the Community Grants – Non-departmental Account (NDA) in the amount of \$1,500,000 for the Non-Profit Technical Assistance and Management Support (NTAMS) Grants Program, and the Underserved Communities Projects (UCP) Grants Programs. Funds for these programs were appropriated in FY23, however, agreements implementing these grants were unable to be executed prior to the end of FY23.

Due to an unfilled Outgoing Grants Program Manager II position throughout the majority of FY23 and an exceptionally high volume of applications for both programs, the County was unable to move to a final awarding process until June, late in the fiscal year.

At that time, it was also determined that an unintentional accounting error under-accrued FY22 funds in this account which reduced carryforward budget authority into FY23. This accounting error was discovered prior to finalization of NTAMS and UCP grant agreements. The lack of negotiated grant agreements combined with the loss of the requisite amount of carryforward budget which reduced the financial resources of the NDA, precluded the awarding of funds in FY23 under these programs. Because of the under-accrual in FY22 and the lack of spending in FY23 for these grants, General Fund Undesignated Reserves includes \$1.5 million in savings

Special Appropriation #24-1, Non-Profit Technical Assistance and Management Support Grants,
and Underserved Communities Projects Grants \$1,500,000

July 11, 2023

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from unspent appropriations. This special appropriation will allow both grant programs to proceed during FY24 in accordance with the FY23 Approved Operating Budget.

I recommend that the County Council approve this special appropriation in the amount of \$1,500,000 and specify the source of funds as General Fund: Undesignated Reserves.

I appreciate your prompt consideration of this action.

ME:tm

Enclosure: Special Appropriation #24-1

cc: Michael Coveyou, Director, Department of Finance
Karen Hawkins, Chief Operating Officer, Department of Finance
Rafael Murphy, Director, Office of Grants Management

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Special Appropriation #24-1 to the FY24 Operating Budget
Montgomery County Government
Community Grants - NDA
Non-Profit Technical Assistance and Management Support Grants, and Underserved
Communities Projects Grants \$1,500,000
(Source of Funds: General Fund: Undesignated Reserves)

Background

1. Section 308 of the Montgomery County Charter provides that a special appropriation: (a) may be made at any time after public notice by news release; (b) must state that the special appropriation is necessary to meet an unforeseen disaster or other emergency or to act without delay in the public interest; (c) must specify the revenues necessary to finance it; and (d) must be approved by no fewer than six members of the Council.
2. The County Executive has requested the following FY24 Operating Budget appropriation increases for the Community Grants – Non-departmental Account:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$1,500,000	\$1,500,000	General Fund: Undesignated Reserves

This increase is needed because grant agreements implementing the Non-Profit Technical Assistance and Management Support Grants (NTAMS), and the Underserved Communities Projects Grants (UCP), were unable to be executed prior to the end of FY23. Due to an unfilled Outgoing Grants Program Manager II position throughout the majority of FY23 and an exceptionally high volume of applications for both programs, the County was unable to move to a final awarding process until June, late in the fiscal year. At that time, it was also determined that an unintentional accounting error under-accrued FY22 funds in this account and reduced carryforward budget authority into FY23. The loss of the requisite amount of carryforward budget reduced the financial resources of the NDA for FY23. Because of the under-accrual in FY22 and the lack of spending in FY23 for these grants, General Fund Reserves include the \$1.5 million in savings from unspent appropriations, which is the source of funds for this special appropriation.

3. This special appropriation will allow both grant programs to proceed during FY24 in accordance with the FY23 Approved Operating Budget.
4. The County Executive recommends a special appropriation to the FY24 Operating Budget of the Community Grants – Non-Departmental Account in the amount of \$1,500,000 for the Non-Profit Technical Assistance and Management Support Grants, and the Underserved Communities Projects Grants, and specifies that the source of funds will be General Fund: Undesignated 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 special appropriation to the FY24 Operating Budget of the Community Grants Non-Departmental Account is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$1,500,000	\$1,500,000	General Fund: Undesignated Reserves

This is a correct copy of Council action.

Sara R. Tenenbaum
Clerk of the Council