



**Staff:** Marlene Michaelson, Executive Director  
Craig Howard, Deputy Director

AGENDA ITEM #1  
May 6, 2020

**Purpose:** Receive briefing and have discussion – no vote expected

**Discussion**

**Keywords:** COVID-19, Special Appropriations

## SUBJECT

Update on the status of programs/expenditures funded by the Special Appropriations related to COVID-19.

## EXPECTED ATTENDEES

Richard Madaleno, Director, Office of Management and Budget (OMB)  
Jennifer Bryant, Deputy Director, OMB

## DESCRIPTION/ISSUE

The Council has approved 12 Special Appropriations over the last 2 months to support residents, businesses, and health care professionals and institutions as they address the COVID-19 pandemic and its impact. The Council has asked for an update from Executive Staff and the status of programs/expenditures funded by these Special Appropriations.

## SUMMARY OF KEY DISCUSSION POINTS

- The Council's goal has been to get needed funding to recipients as soon as possible and the Council may want to ask Executive staff to identify obstacles to rapid disbursements of funds and what actions can be taken to overcome those obstacles.
- Processing applications is staff-intensive and the Executive is contracting with vendors who can help expedite the review, while creating the documentation necessary to ensure Federal reimbursement (where applicable). This will be an ongoing need until all Federal Funding has been distributed to recipients.

### **This report contains:**

Memorandum from OMB Director Richard Madaleno on the Status of COVID-19 Special Appropriations © #1-3

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ROCKVILLE, MARYLAND

MEMORANDUM

May 4, 2020

TO: Sidney Katz, Council President

FROM: Richard S. Madaleno, Director *Richard Madaleno*

SUBJECT: Status of COVID-19 Special Appropriations

This memorandum, and attached table, provide a status update on the Special Appropriations that Council has passed since the COVID-19 outbreak began in March.

There have been several administrative hurdles that we had to navigate to implement these appropriations. As you are aware, with the exception of the Public Health Emergency Grant (PHEG) program, the County code does not allow for the County to provide a traditional grant to an organization. In general, the County must contract with an organization for services provided, and the creation, review, and execution of such contracts can be a longer (and less nimble) process than desired with reviews by multiple departments to ensure due diligence and fiduciary compliance. For example, the \$10 million special appropriation for hospital surge capacity cannot be disbursed to the hospitals as grant funds. Because the County does not currently have contracts with these hospitals, the County and each hospital receiving the funds must enter into a memorandum of understanding on the uses of the funds in order for them to receive the County dollars.

In addition, in order to guarantee that public dollars reach the intended recipients, we have had to establish a review process to ensure that the funds for the PHEG program reach businesses with a legitimate need for the funds. The County received 6,758 applications for this program, and we have enlisted 36 County employees from across County government to review those applications. Still, those employees are not enough to review all the grant applications in a timely manner. As such, the Department of Finance is contracting with two organizations to provide an additional 44 reviewers so that the applications can be reviewed expeditiously, and the funds awarded as quickly as possible.

Given the fiscal outlook, the County must also ensure that the County can maximize the reimbursement for these appropriations under the Federal CARES Act and other Federal and State funding sources. Based on guidance we have received from the US Treasury Department and NACO, the approval mechanism to ensure Federal reimbursement for CARES funding is the final audit of how the funds were spent. In order to ensure that we can receive Federal funding for the services provided, the County must be diligent in documenting that each expenditure is connected to the COVID public health emergency, otherwise the County would be responsible for potentially millions of dollars of expenditures at a time when we simply would not have the fiscal capacity to absorb such expenditures.

RSM:jw

c: Lisa Mandel-Trupp, Chief of Staff for Council President Katz  
Andrew Kleine, Chief Administrative Officer

| Status of COVID-19 Special Appropriations |                      |  |  |
|---|----------------------|--|--|
| Council Resolution                        | Appropriation Amount | Purpose  | Status (5/4/2020)  |
| <a href="#">Resolution 19-407</a>         | \$ 260,000           | Expand and amend Weekend Food Bag/Smart Sacks Program (Non-Competitive Award - HHS & Manna Food -Resolution 19-128)  | Contract signed with Manna. Requisition was created on 4/29/20.  |
| <a href="#">Resolution 19-408</a>         | \$ 250,000           | Provide hotel and motel accomodations for medical healthcare workers and other front-line workers  | To date has paid for 23 reservations and 29 room nights.   |
| <a href="#">Resolution 19-409</a>         | \$ 20,000,000        | Establish Public Health Emergency Grant (PHEg) - \$5M/ Provide aid to small business (for profit & not-profit) that demonstrates significant financial loss caused directly or indirectly by a public health emergency   | Application opened on 4/15/20 and closed on 4/25/20. Program received 6,758 applications, and 630 grants have been awarded (\$6.2 million).  |
| <a href="#">Resolution 19-410</a>         | \$ 10,000,000        | Assist hospitals in the County with emergency purchases and costs due to surge of COVID-19 cases - Coordinated through HHS and Emergency Management  | MOU has been drafted between the County and the hospitals to award the funds, and is under review.   |
| <a href="#">Resolution 19-411</a>         | \$ 6,000,000         | Provide direct financial assistance to residents through HHS and non-profit partner organizations. \$1M will be used to suport HHS' safety net programs, including supporting the issue of Food Insecruity in the County | Phase 1: 601 checks ranging from \$500 for a single adult to \$1,450 for a family were sent to existing Care for Kids clients on 4/27. Phase 2: non-profit providers and funding allocations are being determined. Phase 3: Everyone else eligible will be provided assistance.<br><br>A Noncompetitive Contract Resolution will be forthcoming to award funds to the Healthcare Initiatiave Foundation and the Montgomery County Food Council to award food security grants to organizations. |
| <a href="#">Resolution 19-425</a>         | \$ 5,000,000         | Increase funding to the Public Health Emergency Grant (PHEG)   | Part of Line 5, Resolution 19-409, total funding   |
| <a href="#">Resolution 19-426</a>         | \$ 100,000           | Through MCEDC provide funding to incentivize more local businesses to retrofit their production lines to produce personal protective equipment due to global shortage of PPE   | EDC received 22 applications in the first week when the program was open. To date, 41 applications have been received.   |

| Council Resolution                | Appropriation Amount | Purpose  | Status (5/4/2020)  |
|-----------------------------------|----------------------|--|--|
| <a href="#">Resolution 19-427</a> | \$ 250,000           | Purchase and distribute washable, reusable face coverings and potentially other protective personal equipment to individuals who need them (such as nonprofit service providers (including MCPS meal providers and families), medically vulnerable residents, those in senior living/nursing facilities, child care providers, residents in affordable housing communities, senior citizens, and transit riders  | Procurement order to go out this week for purchase of PPE - coordination ongoing with HHS and OEMHS to identify recipients. DGS has ordered 250,000 masks with its resources, and this funding is estimated to purchase an additional 250,000. |
| <a href="#">Resolution 19-432</a> | \$ 2,000,000         | For Housing stabilization and rental assistance (seek partnerships through CBDG, private sector investments). Additional funds are needed to help people who may lose their housing because they are in informal arrangements and do not have eviction protections mandated by the courts and the Governor, for households that were working their way out of homelessness through rapid rehousing but are not able to find employment, people who are able to move out of homelessness with aid for security deposits, households that are not eligible for other assistance, and households that now find themselves needing assistance. | Council passed the appropriation on 4/28. Legislation to amend the County Code to expand the eligibility for the Rental Assistance Program prepared by HHS on 5/1. HHS is preparing an FIS to accompany this legislation.                      |
|                                   | \$ 750,000           | Provide additional assistance to food providers in serving residents, securing and distributing ethnic and culturally appropriate food to vulnerable populations, and developing a long-term strategy for food security. Support the Food Security Task Force recommendations for Phase I and Phase III.   | Council passed the appropriation on 4/30.  |
|                                   | \$ 250,000           | Create the Telework Assistance Program to provide grants to businesses and non-profit organizations that implemented a teleworking program and purchased teleworking equipment and software due to the COVID-19 crisis.  | Council passed the appropriation on 4/30.  |
|                                   | \$ 5,000,000         | Provides an additional \$5M in direct financial assistance to residents through HHS.   | Council passed the appropriation on 4/30.  |