

Resolution No.: 20-1107
Introduced: March 24, 2026
Adopted: May 12, 2026

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #26-14 to the FY26 Operating Budget
Montgomery County Government – Department of Health and Human Services
Emergency Family Shelter Services
\$3,064,158 (Source of Funds: General Fund Undesignated Reserves)

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 six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven 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 FY26 Operating Budget appropriation increases for the Department of Health and Human Services (DHHS):

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$3,064,158	\$3,064,158	General Fund Undesignated Reserves

3. The requested increase is needed to support the continued use of motels as emergency overflow shelter for families experiencing homelessness in Montgomery County.

- a. Motels used as shelter remain a critical resource for families, given the County's three family shelters have consistently been at capacity since the COVID-19 pandemic began and in its aftermath. The ongoing housing crisis, driven by a lack of affordable housing, rising rental costs, insufficient income and increasing evictions, continues to cause many families to lose housing. Structural barriers such as limited access to childcare, healthcare and stable employment further prevent families from achieving long-term housing stability. More recently, eroding safety net resources and federal workforce reductions have contributed to the growing number of families at risk of losing their housing.
- b. As a result, emergency shelter remains an essential intervention to prevent unsheltered homelessness. Motels serve as a vital overflow option, ensuring that families in crisis have access to safe, temporary shelter while pursuing longer-term housing solutions.
- c. The Short-term Housing and Rental Assistance Program (SHARP) continues to support families in more rapidly transitioning from shelter to permanent housing. In parallel, DHHS-Services to End and Prevent Homelessness' diversion team works to reduce inflow into the shelter system by identifying and supporting safe alternatives to motel placements. Despite these efforts, the number of families entering the shelter system remains high, and the demand for motel placements continues to exceed available family shelter capacity. Though SHARP has increased the outflow from the family shelter system to permanent housing to 30 families per month since January 2025 when the new funding for SHARP was received. The number of families entering the shelter system has been 28 families per month during the same period, indicating that new families continue to show up needing overflow shelter.
- d. To meet this ongoing need, DHHS is requesting:
 - i. \$2,960,158 to support the operation of 85 motel rooms per night through the end of the fiscal year. This funding will ensure continued shelter for families who would otherwise face unsheltered homelessness.
 - ii. \$50,000 to cover maintenance costs associated with the extended use of motel facilities as emergency shelters for families.
 - iii. \$54,000 for Stepping Stone Family Shelter, as it is operating at 100 percent capacity, but its budget only covers 70 percent capacity.
- e. This request will allow us to maintain emergency shelter capacity at the motels, ensure the safety and habitability of the motel shelter facilities, and continue supporting families on their path toward housing stability, while preventing families with minor children from having to sleep outside or in places not meant for habitation.

- 4. The County Executive recommends a supplemental appropriation to the FY26 Operating Budget in the amount of \$3,064,158 for Emergency Family Shelter Services 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 resolution:

A supplemental appropriation to the FY26 Operating Budget of the Department of Health and Human Services is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$3,064,158	\$3,064,158	General Fund Undesignated Reserves

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council