

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 9
Budget and Taxation

(Senator Forehand)

Appropriations

**Maryland Consolidated Capital Bond Loan of 2011 - Montgomery County -
Mental Health Association HVAC Replacement**

This emergency bill specifies that the matching funds for the Mental Health Association (MHA) of Montgomery County, Inc. HVAC Replacement project, as established by Chapter 396 of 2011, may consist of real property, in-kind contributions, or funds expended prior to June 1, 2011.

Fiscal Summary

State Effect: The bill does not directly affect governmental operations or finances.

Local Effect: The bill does not directly affect the finances or operations of Montgomery County.

Small Business Effect: None.

Analysis

Current Law: Chapter 396 of 2011 authorized up to \$75,000 in matching funds for the Board of Directors of MHA for the construction, renovation, and replacement of the HVAC (heating, ventilation, and air conditioning) system of their building located in Rockville. Matching funds may not consist of real property, in-kind contributions, or funds expended prior to the June 1, 2011 effective date of Chapter 396. Chapter 396 authorized two separate grants totaling \$75,000 for this project. The bill's changes apply to both grants.

Chapter 222 of 2001 authorized up to \$100,000 in matching funds to MHA for the repair and renovation of the heating and air conditioning system, roof replacement, and upgrades to the handicapped access to the facility.

Background: MHA sponsors and implements advocacy, education, and community service programs that promote mental health and wellness and support those with mental illness. MHA has served Montgomery County residents for over 50 years and currently manages 11 major direct service programs for children, teens, families, senior adults, and individuals with long-term mental illness. In addition to direct service programming, MHA offers community education to reduce stigma, empower the community with information on identifying mental illness, provide information about the ways to support mental wellness, and connect individuals with needed mental health resources.

The MHA HVAC system is over 25 years old. MHA reports that one section of the system failed completely in 2011. All contractors who have looked at the system have indicated that the entire system needs to be replaced. Specifically, MHA must replace all four furnaces, six condensers and coils, and the attic insulation. In addition, the system needs new branch duct work, and louvers need to be installed on all doors of each office to ensure better air flow. Finally, an electrical upgrade will be necessary to handle the new equipment. The grantee has already obtained two bids for the project and would like to begin replacing the HVAC as soon as possible.

The grantee intends to use the assessed value of the building to meet the matching fund requirement, which is not allowable under the terms of Chapter 396. The bill's changes permit the grantee to do so.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of General Services, Montgomery County, Mental Health Association of Montgomery County, Department of Legislative Services

Fiscal Note History: First Reader - January 11, 2012
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