

# Balancing competing good ideas

Howard County fiscal year 2022 budget season is winding down.

The County Council considered several amendments to the County Executive's proposed budget and required a shift of \$5 million for a new housing trust fund to go instead to the Howard County Public School System (HCPSS) \$2.5 million to their Health & Dental Fund and the remainder to contingency reserves.

County Council members stated a lack of parameters and restrictions on how the fund would be spent, as the reason for rejecting the plan to set aside the \$5 million for a new "housing" trust.

Concerns expressed about the trust focused on publicized proposed uses, such as paying fees for developers to avoid providing required moderate income housing affordable units and funding building projects directly.

Requests to put guardrails on this money so it could be used by the county to fund direct supply of affordable units across the county, and/or help individuals, were not able to be accommodated. Thus, the Council



## MY TURN Lisa Markovitz

appropriately came up with an alternative priority and turned those funds over to the HCPSS.

The reason for choosing the HCPSS for funds was likely due to several underfunding concerns expressed by Board of Education members and constituents.

For several years now, the HCPSS has had to fund recurring expenses with one-time funds, a risky accounting move, in order to balance its budget. The degree to which that was necessary this year was of particular concern to Board of Education member, Christina Delmont-Small, who stated that rolling forward this underfunding would make it harder each year to balance the budget.

The HCPSS budget from county funding

starts with Maintenance of Effort (MOE), the State mandated amount that requires funding of a minimum of the same level as the prior year, on a per pupil calculation, and can go up from there. Going forward, it is expected that there will be an increase due to reentry of students after the pandemic decrease.

Leaving the HCPSS with a rainy-day fund to be used for maintenance and emergencies of only \$1.2 million, in an almost billion-dollar budget, was noted as too low for Delmont-Small's comfort.

County financial advisors have warned against one-time funding for recurring costs and leaving the Health and Dental Fund deficit unresolved for too long. These issues must be addressed for the county to keep its AAA bond rating.

There are never enough resources to meet every goal. The county needs to balance the desire to increase residential growth, while retaining the high-quality level of the HCPSS, which is largely the reason for the demand to live here.

It is a shame to see advocates for more productive funding of the HCPSS at odds with affordable housing proponents over this funding decision by the Council. It was a good start to propose trust funding for housing.

Other jurisdictions are using land trusts for direct supply in handling their lack of affordable homes. It would be great to see Howard County start to utilize this policy but we need to define fund usage for county projects and not supplement market rate projects and their costs directly. Doing so continues to rely on high density to provide small amounts of affordable housing, which is exponentially more expensive, due to the high cost of our county services.

With a look toward land trusts, appropriate restrictions on fund usage can be accomplished in the future, so another valuable goal can be reached in addition to keeping our HCPSS growth needs balanced.

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