



MY TURN

By Lisa Markovitz

Can commercial development save the Howard County budget?

The County Council will soon begin this year's annual fiscal budget review and approval cycle. A large piece of the County's budget is funding the Howard County Public School System. The HCPSS budget request is \$1.13 billion, a \$47 million increase over maintenance of effort, the annual increase legally required to be funded each year. This year, all Maryland jurisdictions have to include budgeting for state-mandated funding to implement the "Blueprint for Maryland's Future," a state educational program, requiring new service provisions. A large part of increased expenditures from the program include pre-K expansion requirements.

The proposed HCPSS budget by acting Superintendent William J. Barnes included cuts that are causing contention at public hearings, such as increasing class sizes by two students, and eliminating over 300 staff positions. These are tough decisions necessitated by large budget shortfalls even within the increased funding request, as it likely will not be able to be fully granted.

HCPSS budget constraints will continue as HoCo By Design, the County's new residential growth plan, which was passed last fall, is implemented. This plan seeks to bring in tens of thousands of new residents, and many people are concerned about how the county can afford to provide needed government services, especially increased school capacity for these new residents.

At the County Executive's first Residents Budget Hearing in mid-December, proposals were discussed to look into more direct funding sources for school expansion, such as increasing development fees, increasing state funding formulas, public-private partnerships, and creating an excise tax for school funding on new commercial properties. Right now, a school surcharge tax is charged only on new residential properties.

Any new commercial taxes will certainly be of interest to stakeholders in the Gateway Business Park expansion project, currently in a yearlong master planning

stage. At a public meeting on Jan. 25, the County presented plans for the new "innovation district" with mixed industrial, office, retail and residential uses, spread over a 1,000-acre-plus area in Columbia surrounded by I-95, Route 175, Snowden River Parkway and the CSX rail corridor. The expressed goal was to create a major hub for employment, entertainment, housing and public amenities. At that public meeting, many questions focused on adequate school and road capacity concerns as well as connectivity plans.

New commercial development plans could help the budget, as commercial tax rates are higher than residential properties. It is good to see plans for increasing that sector. It is also very important for decision-makers to focus on alternative ways to fund infrastructure improvements, given the County's growth plans for both residential and commercial properties. The Howard County delegation is considering local Bills in the 2024 legislative session that could affect commercial development. Howard County State Local Bill 18-24, sponsored by Del. Chao Wu calls for a task force to examine transfer tax direct funding possibilities. State Local Bill 13-24, sponsored by Del. Vanessa Atterbeary would authorize the County Council to impose a commercial building excise tax to directly fund school maintenance efforts. Funding maintenance of schools has been a long-term budgetary problem.

Last fall, Prince George's County entered into P3 agreements that are set to complete 6 new schools in only 3 years with 30 years of maintenance handled. The benefits of that type of construction plan are obvious, with much faster provision, giving short-term and long-term budget assistance. Opponents of P3s note concerns regarding high longer term return on investment and control for outside interests.

As Howard County experiences enormous growth, the expansion of commercial tax bases, and outside-the-box school funding ideas are of paramount need.