

OPINION

## Opinion | Maryland budget deficit concerns



by Lisa Markovitz  
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The annual Maryland legislative session began on January 8. Given a \$2.7 billion state deficit, lawmakers are warning of state funding cuts and possibly new taxes. Governor Moore stated that there will be “hard choices” such as delaying implementation of some features of the Blueprint for Maryland’s Future program, which calls for state funding increases for education. The Maryland State Education Association, state teachers’ union, has weighed in with emphatic opposition to educational budget cuts.

Moore has expressed interest in creating more revenue streams versus raising taxes, if cuts alone cannot make up the difference. Democratic leaders have noted disagreement, preferring tax increases to cuts, despite political backlash with new taxes. There are varying positions on what should make up the shortfall. In addition to not wanting to rely solely on tax increases, Moore has promised to make Maryland more business-friendly, noting information technology, aerospace, and defense sectors where the state should “cut red tape.”

Moore told the Maryland Association of Counties conference in December, “We need to grow. It’s the key to securing Maryland’s future. Anyone who thinks we can just cut our way to greater prosperity, isn’t being honest. Now is the time to make the hard choices that will help us build a durable economy. One that is business-friendly and invests in growth .... Growth is the most powerful tool we have in our toolbox. But it is not, and cannot be, the only one....”

The Governor is clearly saying we cannot just make cuts; we need growth, and yet, cannot rely solely on increasing housing supply. This is because not all housing supply growth is profitable when infrastructure is overwhelmed, such as roads, schools, and County safety provisions. In Howard County, our school system’s fiscal needs surpass the available budget by so much that, realistically, there is no relief in sight for crowded school conditions. The deficit in the school capital budget is causing some lawmakers to discuss adding school impact fees to commercial development. This new cost would not be so business-friendly.

Maryland is already considered a high-tax state. It is commendable that Governor Moore wants to focus on commercial incentives and not rely too heavily on tax increases to solve budgetary shortfalls. It will be hard to balance all these goals. Competing positions on what cuts might be coming will make this session a contentious one. The state budget facing such obstacles could mean less funding for local jurisdictions.

In Howard County, debates about budget priorities and development restrictions highlight two competing fiscal interests; the need to increase growth to provide revenue to the County versus overwhelming the school system, which leads to enormous capital funding needs. Howard County will be paying close attention to what happens in the state budget as Governor Moore promises to follow up to last year's housing bill.

House Bill 538, which Moore signed into law last year, mandated fewer restrictions on new affordable housing by local governments. The commendable aspects of that bill included a very clear income-based definition of what "affordable housing" is with requirements of providing these units before projects can get state benefits. Any new legislation that would expand these goals should retain those features, to be economically productive. Enticing new residents to Maryland must balance growth and expensive county services infrastructure.

Howard County needs to productively place what assets are available. One area where the Howard County Public School System could help is by creating more objective data to guide decisions about where to spend their capital budget. The hierarchy in decisions of what schools get renovation funding is due for an overhaul. Currently, prioritization decisions about where to update schools is not solely based on the need of the schools, which leads to extended maintenance problems. The coming state budget cuts could affect us. We need to do the most with what we have, now more than ever.