



**Board of Education
of Howard County**

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**Board of Education of Howard County
Testimony Submitted to the Maryland Senate,
Budget and Taxation Committee
March 26, 2024**

SB1186: FAVORABLE WITH AMENDMENTS

**Howard County Task Force to Study Revenue Options for School Capital Needs
Ho. Co. 18-24**

The Board of Education of Howard County (the Board) supports **SB1186 Howard County Task Force to Study Revenue Options for School Capital Needs Ho. Co. 18-24** with amendments to clarify the intent of additional revenue identified.

SB1186 as presented today by the Howard County Delegation establishes a Task Force that would: identify the capital needs of the school system, including deferred maintenance, through 2035; project available funding to be allocated through 2035; identify funding gaps based on revenue projections; and study options to close identified funding gaps, including the redistribution of the transfer tax, the use of a commercial excise tax, and other existing revenue authority of the County. This melds several topics the Board has supported over the past few legislative sessions to address capital funding needs of the Howard County Public School System (HCPSS).

In planning for capital needs, the HCPSS capital budget sets an expectation with the projects listed that attempt to capitalize on available funding. There is limited opportunity within the current framework and available funds however, to insert new projects based on new residential developments. While the 2023 HCPSS Feasibility Study indicates the annual rate of enrollment growth is expected to lessen compared to prior projections, due to years of underfunded capital needs, HCPSS capacity has not kept pace with the historically steady growth in student populations in Howard County. This is in addition to aging infrastructure that creates significant demands for facilities maintenance funding.

In 2019 and 2020, legislation passed by the Howard County Delegation increased funding for capital projects of the school system through the school facility surcharge and the county's transfer tax rate, of which 25 percent of any increase would be distributed to HCPSS. In order to maintain an expected high-level of educational services from the school system, however, more needs to be done to mitigate the impact of past and future development on school capacity as well as the overall lifecycle of facility maintenance. Further study of options to produce supplemental capital funding for expected capacity increases as well as existing infrastructure needs as proposed under SB1186 would allow stakeholders to propose a sensible reallocation in the transfer tax as well as additional funding opportunities to support school buildings while balancing other Howard County capital needs.

To further strengthen the intent of the bill, the Board recommends the inclusion of language requiring any additional funds identified by the Task Force not be used to supplant school system funding already received from the County. With this amendment, we urge a FAVORABLE report of SB1186 from this Committee.