

FY2024 ANNUAL SCHOOL TEST AND SCHOOL UTILIZATION REPORT

Description

The Annual School Test evaluates the adequacy of public school facilities for each fiscal year to determine the appropriate conditions of approval during development review. This report presents the results of the FY 2024 Annual School Test, which will go into effect on July 1, 2023 after being certified by the Board, and a brief summary of the accompanying School Utilization Report.

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Summary:

- In FY2024, residential development applications in the following school service areas will be assessed Utilization Premium Payments.
 - Tier 1 UPP:
 - James Hubert Blake HS
 - Paint Branch HS
 - Arcola ES
 - Tier 2 UPP:
 - Clarksburg HS
 - Ashburton ES
 - Oakland Terrace ES
 - Tier 3 UPP:
 - Mill Creek Town ES
- The latest projections from MCPS indicate that, at the countywide level collectively, there will be surplus capacity available for elementary and middle school students throughout the next six school years. At the high school level however, a capacity shortage is expected to persist for a few years, until the scheduled capital projects at Northwood, Woodward, and Crown High Schools are complete.

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SECTION 1: ANNUAL SCHOOL TEST BACKGROUND & GUIDELINES

The Annual School Test evaluates the adequacy of Montgomery County’s public school facilities to determine the appropriate conditions of approval during development review throughout the fiscal year.

Each individual Montgomery County Public Schools (MCPS) school is evaluated based on their utilization rate and seat deficit level projections four school years in the future. If, based on the adequacy standards set by the 2020-2024 Growth and Infrastructure Policy, a school is expected to be overutilized, the school service area is placed in a Utilization Premium Payment (UPP) tier. A Tier 1 UPP placement indicates a moderate level of overutilization, Tier 2 intermediate overutilization, and Tier 3 signifies a high level of overutilization being projected.

The Annual School Test also determines the adequacy ceiling to subsequent UPP tier levels for each school. If it is estimated that a development will generate more students than the adequacy ceiling of a school serving the development, then the next UPP tier level is triggered, and the payment factor is adjusted to reflect the number of students beyond the adequacy ceiling. Even if a school service area is not placed in a UPP tier by the Annual School Test, a development application can still be charged a partial UPP if the project is estimated to generate more students than the Tier 1 UPP adequacy ceiling.

The Annual School Test Guidelines explain the standards and methodology used for the Annual School Test in further detail. [Annual School Test Guidelines version 1.0](#) was approved by the Planning Board on December 17, 2020.

SECTION 2: FY2024 ANNUAL SCHOOL TEST RESULTS

The FY2024 Annual School Test evaluates the capacity utilization level of each MCPS elementary, middle, and high school based on their projections for the 2027-2028 school year.

UTILIZATION PREMIUM PAYMENT TIERS BY SCHOOL LEVEL

HIGH SCHOOL SERVICE AREAS

The following high school service areas will be placed in Utilization Premium Payment tiers for the duration of FY2024.

- Tier 1 UPP
 - James Hubert Blake HS
 - Paint Branch HS
- Tier 2 UPP
 - Clarksburg HS

At the high school level, a Tier 1 UPP indicates that residential units will be assessed a 13-1/3% surcharge of their respective school impact tax rates, and a 26-2/3% surcharge for Tier 2 UPP.

MIDDLE SCHOOL SERVICE AREAS

No middle school service areas are placed in Utilization Premium Payment tiers for FY2024.

ELEMENTARY SCHOOL SERVICE AREAS

The following elementary school service areas will be placed in Utilization Premium Payment tiers for the duration of FY2024.

- Tier 1 UPP
 - Arcola ES
- Tier 2 UPP
 - Ashburton ES
 - Oakland Terrace ES
- Tier 3 UPP
 - Mill Creek Towne ES

At the elementary school level, a Tier 1 UPP indicates that residential units will be assessed a 16-2/3% surcharge of their respective school impact tax rates, 33-1/3% surcharge for Tier 2 UPP, and a 50% surcharge for Tier 3 UPP.

TOTAL UTILIZATION PREMIUM PAYMENT RATE BY AREA

The map below illustrates the total UPP rate ranges that will be assessed across the county for residential development applications approved in FY2024.

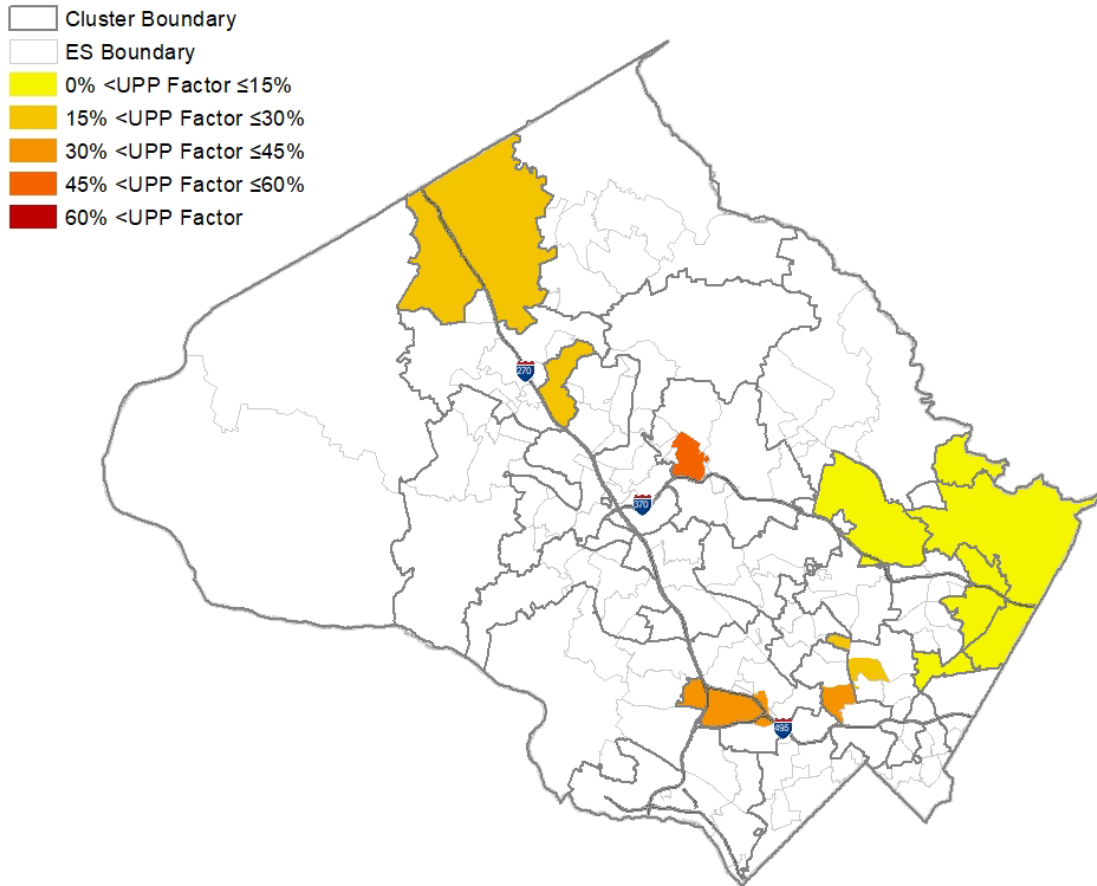


Figure 1 Total Utilization Premium Payment Rate Ranges

SCHOOLS APPROACHING ADEQUACY CEILINGS

The following schools, none of which are placed in a UPP tier by the FY2024 Test, have relatively low adequacy ceilings to a Tier 1 payment:

- Lake Seneca ES – 10 seat ceiling
- Sherwood ES – 12 seat ceiling
- Sargent Shriver ES – 4 seat ceiling

If a development application is expected to generate more students than the adequacy ceiling of its service area, then a Tier 1 UPP will be triggered, and a partial payment factor will be calculated in proportion to the number of students counted within each level. For example, if a preliminary plan application within the Lake Seneca ES service area is estimated to generate 15 elementary school students, then a UPP will be assessed for each unit with a payment factor that is adjusted to reflect the ten students within no payment and the five additional students above the Tier 1 threshold.

SECTION 3: FY2024 SCHOOL UTILIZATION REPORT

The School Utilization Report, which is an accompaniment to the Annual School Test, provides supplemental information about the county’s public school enrollment and capacity utilization trends. It consists of a Countywide Report and an Individual Schools Report.

COUNTYWIDE TRENDS & PROJECTIONS BY SCHOOL LEVEL

The Countywide Utilization Report includes trends in countywide enrollment, capacity, and utilization rates, the share of schools operating at various utilization levels, and an annual snapshot of single-family home sales, newly built units, and total housing units for each school service area.

HIGH SCHOOLS

The county is expected to experience enrollment growth that exceeds the collective capacity of all high schools for a few years. The completion of capital projects at Damascus, Northwood and Woodward High Schools in 2026 and Crown High School in 2027 will bring the collective capacity up to par with the projected enrollment growth. However, if enrollment were to continue to grow, there will have to be further capital investments to increase the county’s high school capacity.

Figure 2 is an excerpt from the FY2024 School Utilization Report that shows the countywide enrollment and utilization trends of high schools from the past 15 years and projections for the upcoming school year and next five years.

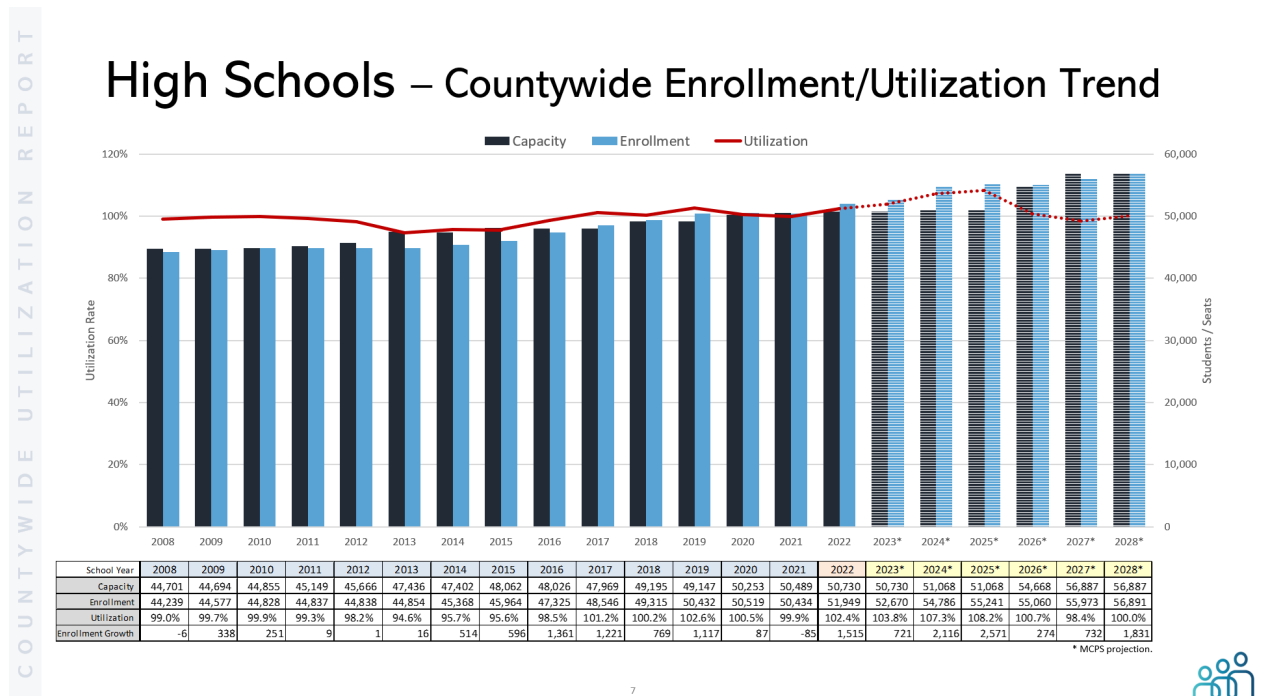


Figure 2 Countywide Enrollment and Utilization Trend of High Schools

Figure 3, also an excerpt from the FY2024 School Utilization Report, depicts the trends and projections of the share of high schools operating at various utilization levels. Schools operating at less than 90% of their capacity are considered underutilized and shown in blue. Schools with utilization rates between 90% to 105% are considered balanced, and shown in green. Schools with utilization rates above 105% are considered overutilized, and shown in yellow if between a 105% to 120% utilization rate, orange if between a 120% to 135% utilization rate, and red if beyond a 135% utilization rate.

The high school projections for 2026 and later reflect a hypothetical student reassignment scenario with Woodward HS reopening in 2026 and Crown HS opening in 2027, where the utilization rate is distributed evenly among all schools included in each of MCPS's capacity relief plans. According to this scenario, 78% of the county's high schools could be operating at a balanced utilization rate by 2028, with 19% of the schools remaining overutilized. In reality though, MCPS will also have to consider factors other than utilization rates during the boundary study process, and the share of schools operating at each utilization level may look different from what is projected in this graph.

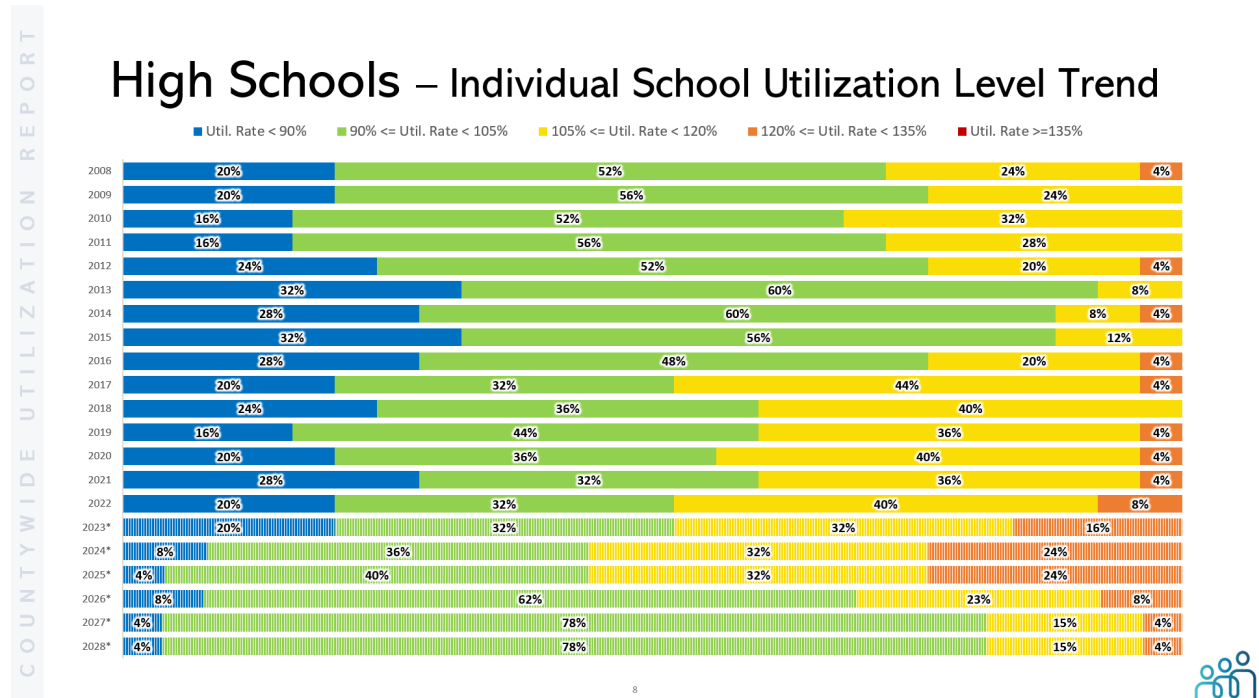


Figure 3 Trend Graph of the Utilization Level of Individual High Schools

MIDDLE SCHOOLS

At the middle school level, the countywide enrollment peaked in 2019, and has been declining since. Projections indicate that enrollment will start increasing again slightly, but the overall trend still suggests that the steady growth experienced in the 2010's may have plateaued. In 2028, the collective utilization rate is projected to be at 90.9%, and the amount of surplus capacity available across all

middle schools is expected to be over 3,500 seats. Figure 4 shows the enrollment and utilization level trends of middle schools countywide.

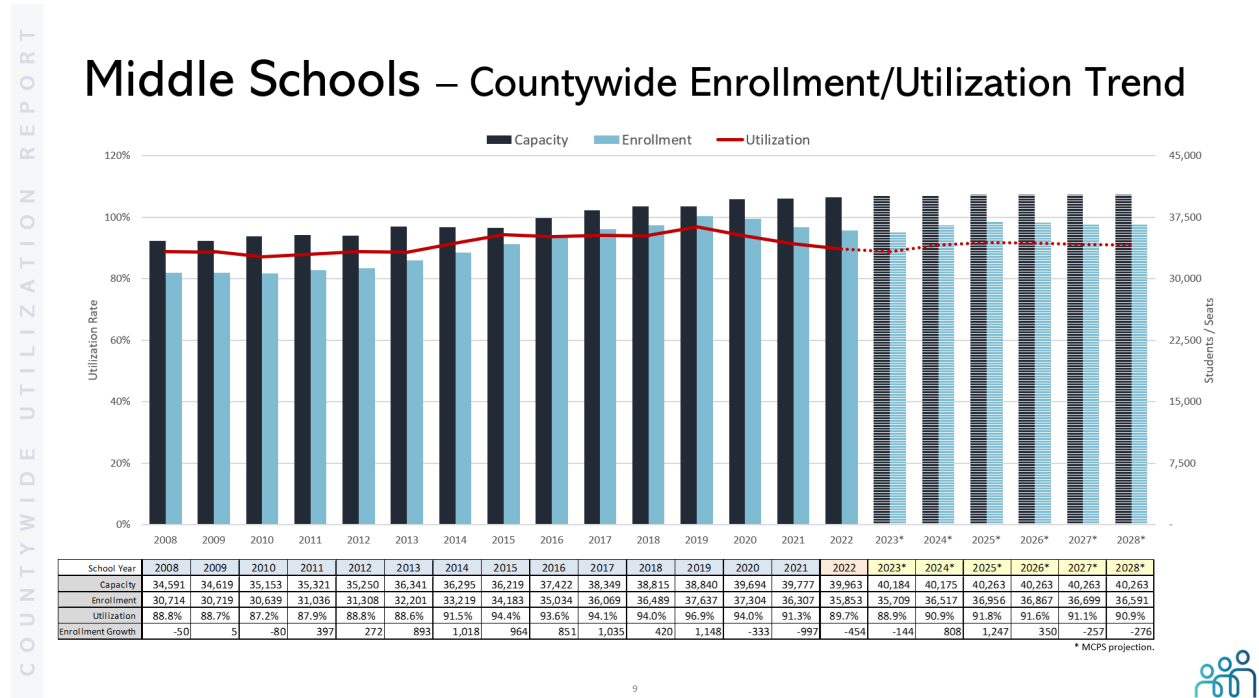


Figure 4 Countywide Enrollment and Utilization Trend of Middle Schools

Figure 5 depicts the trends and projections of the share of middle schools operating at various utilization levels. Over the next few years, less than half of the schools are projected to be operating at a balanced utilization level. However, the Board of Education’s approved scope for the Woodward HS reopening boundary study includes all middle schools within the Downcounty Consortium, Bethesda-Chevy Chase, Walter Johnson, and Whitman clusters, and will presumably lead to a better distribution of utilization levels between middle schools than projected.

Middle Schools – Individual School Utilization Level Trend

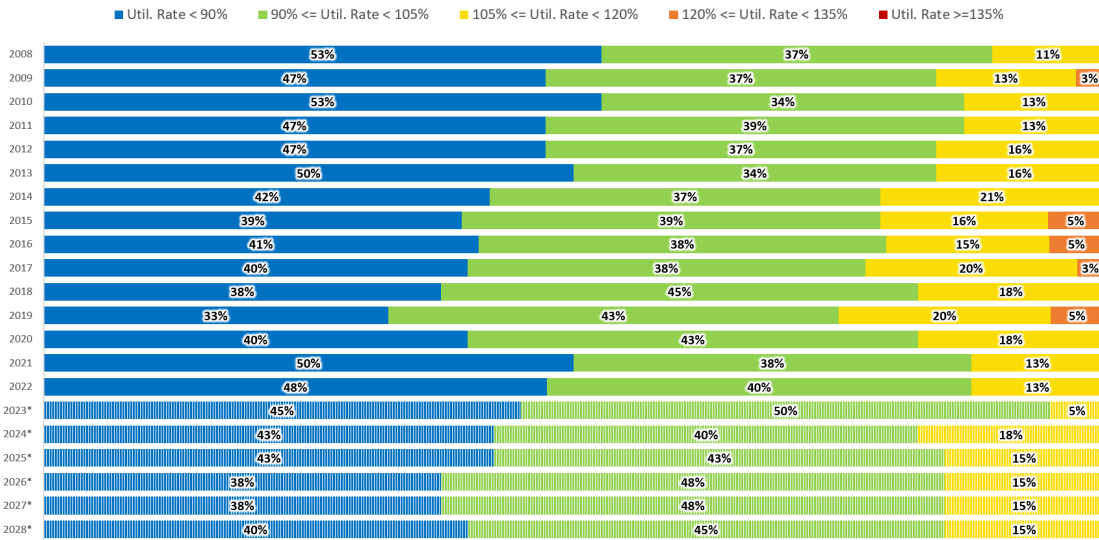
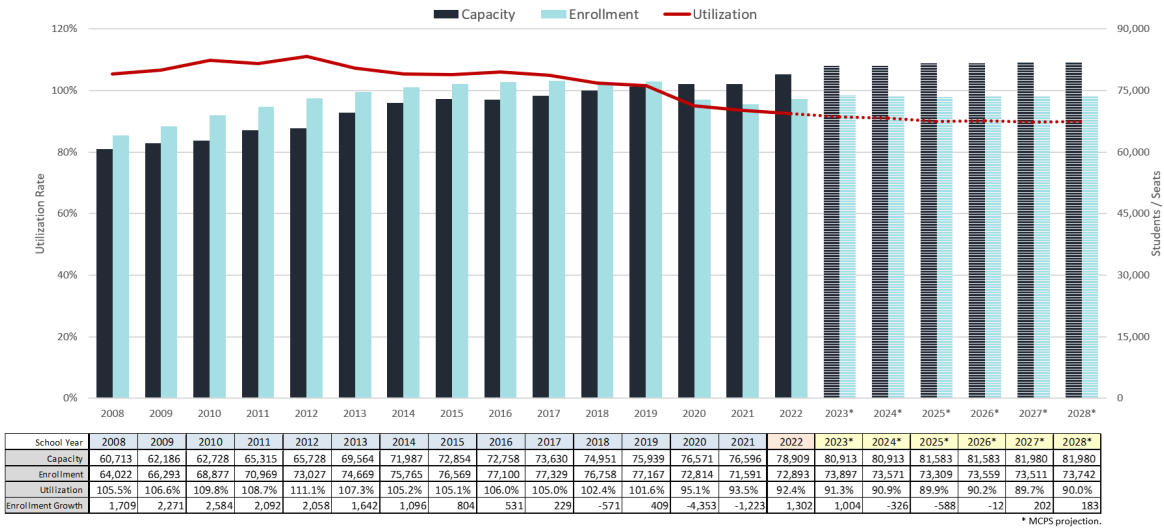


Figure 5 Trend Graph of the Utilization Level of Individual Middle Schools

ELEMENTARY SCHOOLS

At the elementary school level, the enrollment growth already started plateauing around 2015, well before the pandemic led to a sudden decline in 2020. Though the enrollment has picked up a little this year, projections indicate that it will not be returning to the pre-pandemic level in the foreseeable future. In 2028, the collective utilization rate of all elementary schools is projected to be at 90.0%, with over 8,000 seats of surplus capacity expected to be available across the county. Figure 6 shows the enrollment and utilization level trends of elementary schools countywide.

Elementary Schools – Countywide Enrollment/Utilization Trend



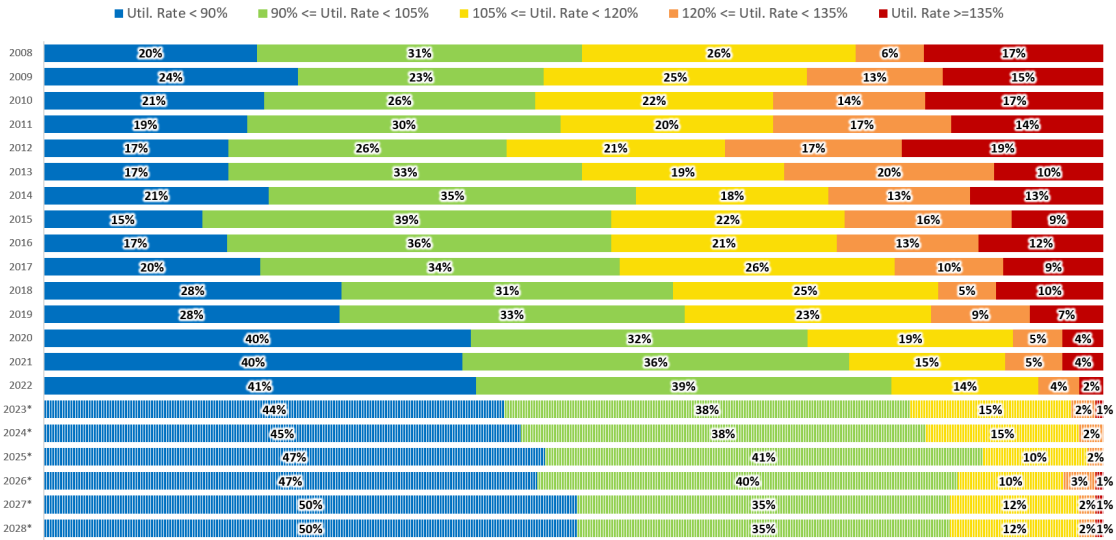
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Figure 6 Countywide Enrollment and Utilization Trend of Elementary Schools

Figure 7 depicts the trends and projections of the share of elementary schools operating at various utilization levels. Despite the sufficient capacity available collectively, the utilization level is not distributed well across the schools. In 2028, only 35% of the county’s elementary schools are expected to be operating at a balanced utilization level. 15% of the schools are expected to be overutilized, with one school beyond a 135% utilization rate, and two other schools above 120%. On the other hand, half of the elementary schools are projected to be underutilized at a rate less than 90% of their capacities.

Elementary Schools – Individual School Utilization Level Trend



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Figure 7 Trend Graph of the Utilization Level of Individual Elementary Schools

SECTION 4: CONCLUSION

Planning staff recommends the Board certify the results of the FY2024 Annual School Test. Once certified, the results will take effect on July 1, and remain effective throughout the fiscal year.

ATTACHMENTS

Attachment A: FY2024 Annual School Test Results

Attachment B: FY2024 School Utilization Report