

FY2025 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 2025 Annual School Test, which will go into effect on July 1, 2024 after Planning Board certification, and a brief summary of the accompanying School Utilization Report.

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Summary:

- In FY2025, the following school service areas will be placed in Utilization Premium Payment (UPP) tiers:
 - Tier 1
 - HS - James Hubert Blake, Paint Branch
 - MS - Argyle
 - Tier 2
 - ES - Arcola, Burning Tree, Cashell, Flower Valley, Lake Seneca, Thurgood Marshall
 - Tier 3
 - ES – Mill Creek Towne
- The latest projections from MCPS indicate that despite the deferral of several capital projects, there will be surplus capacity available at the countywide level collectively at all school levels (elementary, middle, and high school) throughout the next six school years.

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SECTION 1: ANNUAL SCHOOL TEST BACKGROUND

Under the requirements of the 2020 to 2024 Growth and Infrastructure Policy (GIP), the Annual School Test (AST) evaluates the adequacy of Montgomery County Public Schools' (MCPS) facilities to determine the appropriate conditions of approval during development review throughout the fiscal year.

Using the adequacy standards set by the GIP, each individual MCPS school is evaluated by their projected utilization rate and seat deficit for four school years in the future. If 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 projected in the school serving the area, Tier 2 indicates intermediate overutilization, and Tier 3 a high level of overutilization. When a school service area is placed in a UPP tier, the following UPP factors are applied as a surcharge to the impact tax rate of each market rate residential unit to mitigate the impact of new development:

Table 1 UPP Factor for each Tier by School Level

	Tier 1	Tier 2	Tier 3
Elementary School	16 2/3%	33 1/3%	50%
Middle School	10%	20%	30%
High School	13 1/3%	26 2/3%	40%

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. Therefore, even when a school service area is not placed in a UPP tier by the Annual School Test, if a development application is estimated to generate more students than the Tier 1 UPP adequacy ceiling, then it can still be charged a partial UPP.

The FY2025 Annual School Test results presented in this report were conducted under the 2020-2024 GIP standards, which are currently being reviewed by the Planning Board for the quadrennial 2024-2028 update of the Growth and Infrastructure Policy. The [Annual School Test Guidelines version 1.0](#), which was approved by the Planning Board on December 17, 2020, explains the standards and methodology used to conduct the test in further detail.

SECTION 2: FY2025 ANNUAL SCHOOL TEST RESULTS

The FY2025 Annual School Test evaluates the capacity utilization level of each MCPS elementary, middle, and high school based on their projections for the 2028-2029 school year.

UTILIZATION PREMIUM PAYMENT TIERS BY SCHOOL LEVEL

The following school service areas will be placed in Utilization Premium Payment tiers for the duration of FY2025.

HIGH SCHOOL SERVICE AREAS

- Tier 1 UPP - James Hubert Blake HS, Paint Branch HS

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

MIDDLE SCHOOL SERVICE AREAS

- Tier 1 UPP – Argyle MS

At the middle school level, a Tier 1 UPP indicates that residential units will be assessed a 10% surcharge of their school impact tax rate.

ELEMENTARY SCHOOL SERVICE AREAS

- Tier 2 UPP - Arcola ES, Burning Tree ES, Cashell ES, Flower Valley ES, Lake Seneca ES, Thurgood Marshall ES
- Tier 3 UPP - Mill Creek Towne ES

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

SCHOOLS APPROACHING ADEQUACY CEILINGS

The following schools have relatively low adequacy ceilings to subsequent UPP tiers:

- Cashell ES – 10 seat ceiling to Tier 3 UPP
- New Hampshire Estates/Oak View ES – 8 seat ceiling to Tier 1 UPP
- Sargent Shriver ES – 8 seat ceiling to Tier 1 UPP

If a development application is expected to generate more students than an adequacy ceiling of its service area, the next UPP tier level is triggered, and the surcharge factor gets adjusted higher in proportion to the number of students counted within each level. For example, if a preliminary plan application within the Cashell 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 Tier 2 UPP and the five students above the Tier 3 threshold.

SECTION 3: MCPS' CIP PROJECTS AND STUDIES REFLECTED IN FY25 AST

COUNCIL APPROVED INDIVIDUAL SCHOOL CAPITAL PROJECTS

As presented to the Planning Board during the annual MCPS CIP review on February 22nd, the County Executive's Recommended FY25-30 CIP for MCPS was \$91.8 million short of the Board of Education's Request. The County Council largely accepted a non-recommended reduction scenario provided by MCPS to meet the Executive's revenue assumptions, resulting in the following individual school capital projects to be deferred to future CIPs and their requested capacity increases no longer accounted for in the projections used for the FY 2025 Test.

- High Schools - Blake HS Addition, Damascus HS Major Capital Project, Magruder HS Major Capital Project, Paint Branch HS Addition, Wootton HS Major Capital Project
- Middle Schools - Eastern MS Major Capital Project
- Elementary Schools - Mill Creek Town HS Addition

The following individual school capital project schedules remain as requested. Since all projects are expected to be completed before the FY 2025 Annual School Test's evaluation time frame (the 2028-2029 school year), their increased capacities are reflected in the adequacy considerations:

- High Schools – Poolesville HS (2024), Crown HS (2027), Northwood HS (2007), Woodward HS (2027)
- Middle Schools – Neelsville MS (2024), Silver Spring International Middle School (2025)
- Elementary Schools – Greencastle ES (2025), Burtonsville (2026), JoAnn Leleck ES (2026), Highland View ES (2027)

BOARD OF EDUCATION APPROVED BOUNDARY STUDY SCOPES

When MCPS' CIP relief plan for an overutilized school involves capacity at another location, it is typically not reflected in their enrollment projections until the Board of Education has made a decision on the boundary study. If the approved boundary change is scheduled to be completed within the timeframe of the Annual School Test, Planning staff calculates the relief that could be provided by the solution and factors it into a modified enrollment projection for each school involved accordingly. For example, MCPS plans to open two new schools in the FY2025 CIP: Woodward HS and Crown HS. However, the increased capacity that these new schools will bring is not reflected in the enrollment of schools intended to be relieved by these projects. In these instances, Montgomery Planning uses a hypothetical scenario in which the utilization rates of all involved schools are balanced. Table 2 illustrates this using the Woodward HS boundary study scope, showing the projected utilization rates of the nine schools according to MCPS' CIP data, including Woodward HS with a utilization rate of 0%, the Enrollment Modification calculations assuming that all nine schools will have an equal utilization rate of 94.6%, and the resulting FY25 AST Enrollment.

Table 2. Example of the Projection Modification Process for the Annual School Test

High Schools Included in Woodward HS Boundary Study Scope	2028-2029 MCPS CIP Capacity	2028-2029 MCPS Enrollment Projection	2028-2029 MCPS Utilization Rate Projection	AST Enrollment Modification Formula	2028-2029 FY25 AST Modified Enrollment
Bethesda-Chevy Chase HS	2,475	2,321	93.8%	= 94.6% x 2475	2,341
Montgomery Blair HS	2,889	3,450	119.4%	= 94.6% x 2889	2,733
Albert Einstein HS	1,602	2,028	126.6%	= 94.6% x 1602	1,515
Walter Johnson HS	2,299	2,969	129.1%	= 94.6% x 2299	2,175
John F. Kennedy HS	2,159	2,044	94.7%	= 94.6% x 2159	2,042
Northwood HS	2,260	1,751	77.5%	= 94.6% x 2260	2,138
Wheaton HS	2,237	2,711	121.2%	= 94.6% x 2237	2,116
Walt Whitman HS	2,218	2,012	90.7%	= 94.6% x 2218	2,098
Charles W. Woodward HS	2,249	-	0.0%	= 94.6% x 2249	2,128
Total	20,388	19,286	94.6%		19,286

There are currently two boundary study scopes approved by the Board of Education:

- Woodward HS boundary study scope
 - High Schools - Bethesda Chevy-Chase, Montgomery Blair, Albert Einstein, Walter Johnson, John F. Kennedy, Northwood, Wheaton, Walt Whitman
 - All middle schools that feed into the high schools listed above (Argyle, Eastern, A. Mario Loiederman, Newport Mill, North Bethesda, Parkland, Thomas W. Pyle, Odessa Shannon, Silver Creek, Silver Spring Int'l, Sligo, Takoma Park, Tilden, Westland) are included in the scope, but no elementary schools are included.
- Crown HS/Damascus HS boundary study scope
 - High Schools - Winston Churchill, Clarksburg, Damascus, Gaithersburg, Richard Montgomery, Northwest, Poolesville, Quince Orchard, Seneca Valley, Watkins Mill, Thomas S. Wootton
 - All middle schools that feed into the high schools listed above (John T. Baker, Cabin John, Roberto W. Clemente, Forest Oak, Robert Frost, Gaithersburg, Herbert Hoover, Dr. Martin Luther King Jr., Kingsview, Lakelands Park, Montgomery Village, Neelsville, John Poole, Ridgeview, Rocky Hill, Hallie Wells, Julius West) are included in the scope, but no elementary schools are included.

Based on the Annual School Test Guidelines, the FY2025 Annual School Test used modified enrollment projections for the high schools identified above in each boundary study scope. Although the boundary study scopes include feeder middle schools as well, the middle school projections were not modified as has been done previously.

SECTION 4: FY2025 SCHOOL UTILIZATION REPORT – COUNTYWIDE TRENDS & PROJECTIONS

The School Utilization Report, which consists of a Countywide Report and an Individual Schools Report, provides supplemental information about the county’s public school enrollment and capacity utilization trends. The countywide trends and projections included in the Countywide Report are summarized below.

COUNTYWIDE TRENDS & PROJECTIONS BY SCHOOL LEVEL

HIGH SCHOOLS

The county experienced strong enrollment growth at the high school level over the past decade, but the latest projections indicate that that growth will start tapering off in the next few years. Once the capital projects at Crown, Northwood, and Woodward high schools are complete in 2027, there is projected to be a surplus of over 2,800 seats countywide, despite the delay of the proposed projects at Damascus, Magruder, and Wootton High Schools (see Figure 1).

Figure 1 Countywide High School Enrollment and Utilization Trends and Projections

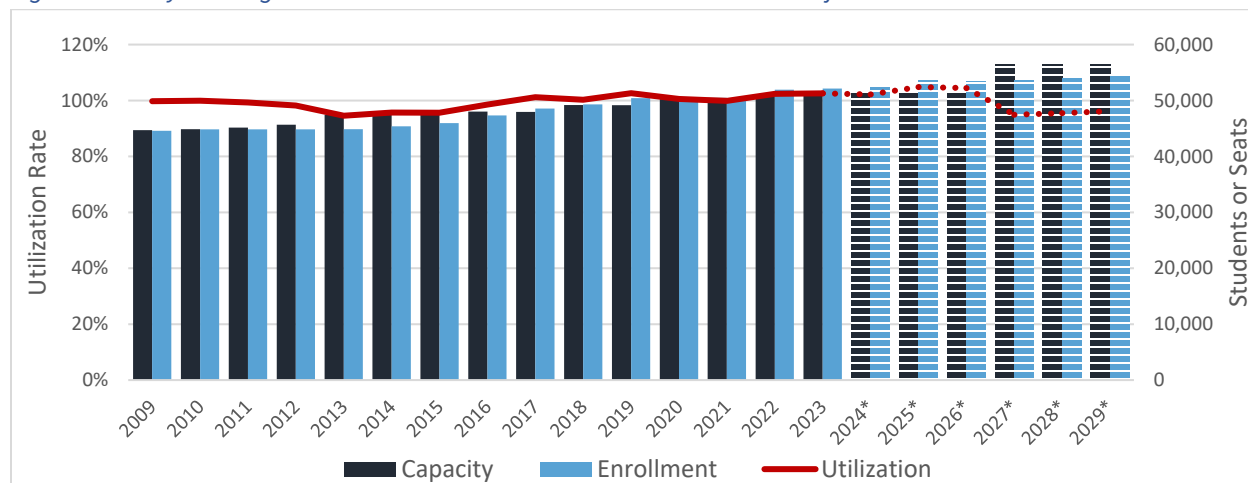
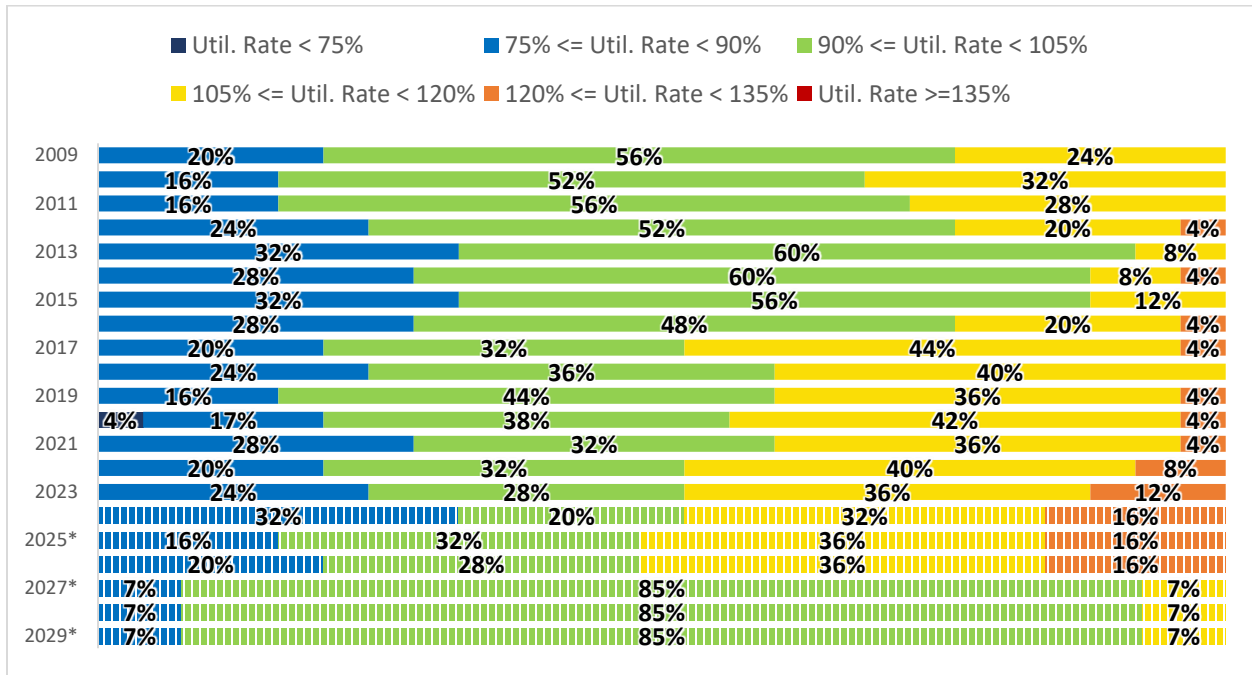


Figure 2 shows how this countywide enrollment is distributed among the individual high schools - the projections for 2027 and later are reflecting the Annual School Test’s modified enrollment for the schools identified in the Crown/Damascus High School and Woodward High School boundary study scopes. If, as a result of the boundary change, the utilization rates of all schools involved were to become balanced as hypothesized, then the county would be able to see more than 90% of the high schools operating at a balanced or slightly underutilized level. In reality though, MCPS has to take into account several other factors during the boundary study, so the actual utilization rate outcomes are likely to differ.

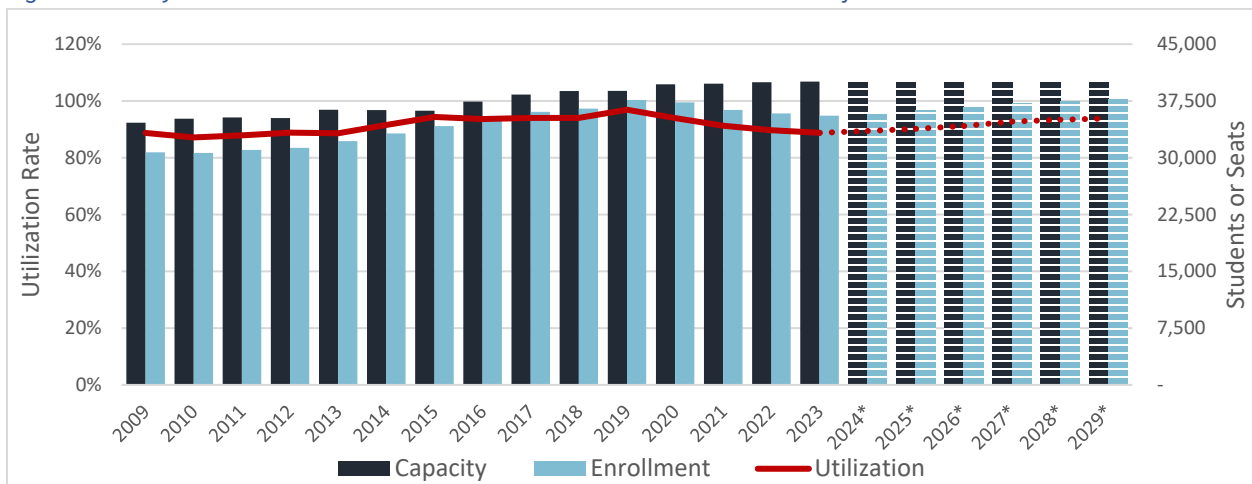
Figure 2 Utilization Rate Level Trends and Projections of Individual High Schools



MIDDLE SCHOOLS

At the middle school level, the total capacity across all schools has been sufficient for the countywide enrollment over the past 15 years. Countywide projections indicate that the enrollment, which had been declining since the pandemic, will return to its pre-pandemic peak level at the end of the six-year CIP cycle, but there will be more than 2,400 surplus seats available collectively nonetheless (see Figure 3).

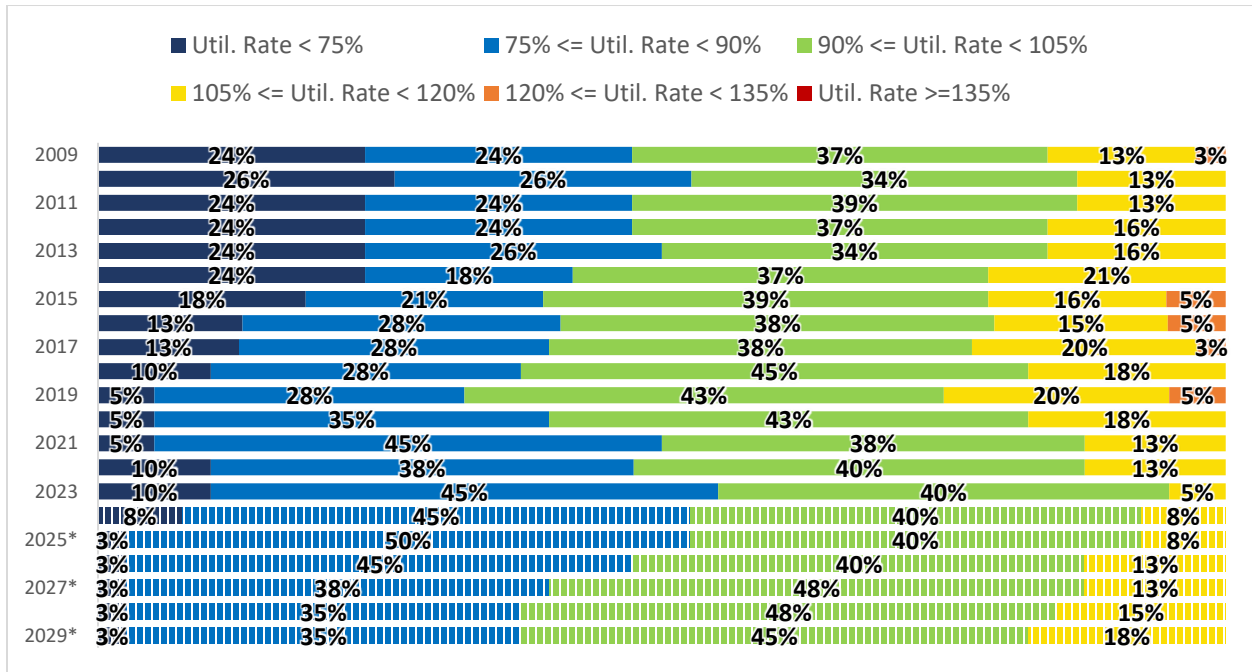
Figure 3 Countywide Middle School Enrollment and Utilization Trends and Projections



The projections for individual schools indicate that the share of schools operating at moderately overutilized levels will increase over the next six years, as shown in Figure 4. However, the

Crown/Damascus High School and Woodward High School boundary change process will be able to address some of the utilization level imbalance between the feeder middle schools.

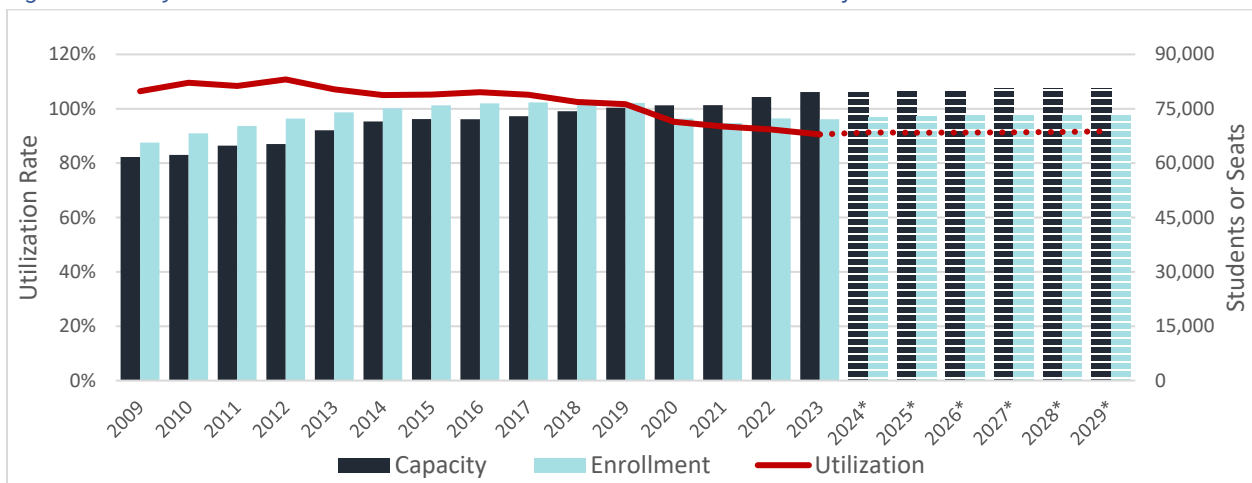
Figure 4 Utilization Rate Level Trends and Projections of Individual Middle Schools



ELEMENTARY SCHOOLS

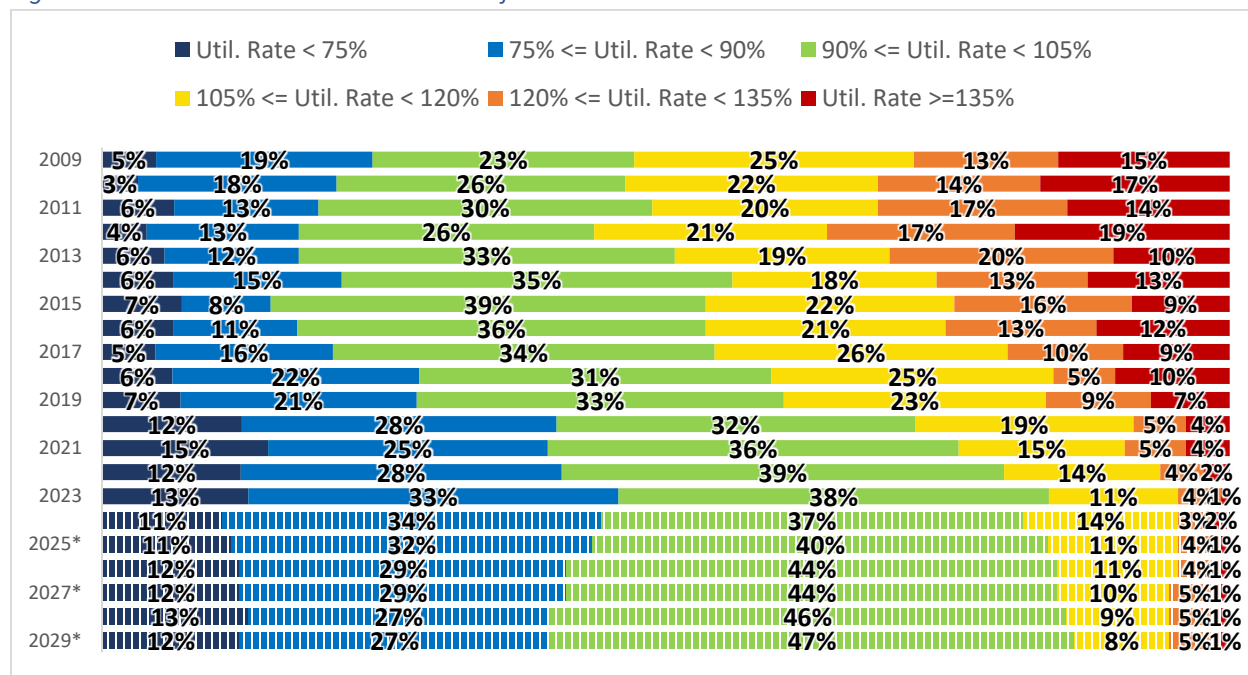
At the elementary school level, countywide enrollment already peaked in 2017, and saw a sudden decline during and after the pandemic. While enrollment is slowly starting to pick up again, projections indicate that it will not be returning to the pre-pandemic peak level in the foreseeable future. At the end of the six-year CIP cycle, there is projected to be more than 6,600 surplus seats available across all elementary schools in the county.

Figure 5 Countywide Middle School Enrollment and Utilization Trends and Projections



For individual schools, projections indicate that the utilization rate levels between schools will continue to be imbalanced at the elementary school level, with 14% of the schools projected to be overutilized, 6% at rates that exceed 120%. On the opposite end, 39% of the schools are underutilized, and 12% are operating at utilization rates lower than 75% of its capacity.

Figure 6 Utilization Rate Level Trends and Projections of Individual Middle Schools



SECTION 5: STAFF RECOMMENDATION

Planning Staff recommends that the Board certify the results of the FY2025 Annual School Test. Attachment A includes a summary of the results and detailed tables of the high school, middle school, and elementary school tests. Attachment B includes the supplementary FY2025 School Utilization Report.

Once certified, the results will take effect on July 1, and should remain effective until an updated 2024-2028 Growth and Infrastructure Policy takes effect. After the updated 2024-2028 GIP is adopted, Planning Staff will turn to the Board with an updated Annual School Test Guideline that reflects the adopted changes, and request that the Board approve a revised FY2025 Annual School Test.

ATTACHMENTS

Attachment A: FY2025 Annual School Test Results

Attachment B: FY2025 School Utilization Report