

ANNUAL SCHOOL TEST GUIDELINES REVISION AND UPDATED FY2025 ANNUAL SCHOOL TEST

Description

This report presents the changes made to the Annual School Test Guidelines due to the adoption of the 2024-2028 Growth and Infrastructure Policy, and the results of the Updated FY2025 Annual School Test results and Updated FY2025 student generation rates reflecting those changes.

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Summary:

- The 2024-2028 Growth and Infrastructure Policy (GIP) was approved unanimously by the County Council on November 12, 2024, and will go into effect on January 1, 2025.
- The Annual School Test Guidelines Version 2.0 reflects the changes made to the Annual School Test standards and methodology due to the adoption of the new GIP.
- The Original FY 2025 Annual School Test was certified by the Planning Board on June 20, 2024, and assigned two high schools to a Tier 1 Utilization Premium Payment (UPP), one middle school to a Tier 1 UPP, six elementary schools to a Tier 2 UPP and one elementary school to a Tier 3 UPP. The Updated FY 2025 Annual School Test, conducted in accordance with the Annual School Test Guidelines Version 2.0, adds two school service areas to a UPP Tier 1:
 - New Hampshire Estates/Oak View ES
 - Sargent Shriver ES
- The official student generation rates will also be updated to reflect the new school impact area boundaries and classifications as adopted in the 2024-2028 GIP.
- Staff recommends the Planning Board approve the Annual School Test Guidelines 2.0 and certify the Updated FY 2025 Annual School Test results and student generation rates, which will go into effect on January 1, 2025.

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2024-2028 GROWTH AND INFRASTRUCTURE POLICY

On November 12, 2024, the County Council adopted the 2024-2028 Growth and Infrastructure Policy (GIP), which will go into effect on January 1, 2025. The following school recommendations were approved as part of the new policy:

- **Recommendation 2.1** - Modify the School Impact Area boundaries to align with the proposed Transportation Policy Area boundaries, and classify each area into Infill, Turnover, or Greenfield based on an updated analysis of their latest growth context and potential.
- **Recommendation 2.2** - Adjust the seat deficit thresholds of each Utilization Premium Payment (UPP) tier to align with MCPS's CIP guidelines for classroom additions and maintain the existing utilization rate thresholds.
- **Recommendation 2.3** - Allow funds collected as UPPs to be used for capital projects adding capacity at schools adjacent to the school for which they were collected, as outlined in the School Utilization Report.
- **Recommendation 2.4** - Keep stacked flats in the multi-family low-rise category for both student generation rates and impact taxes.
- **Recommendation 2.5** - Monitor the countywide early childhood program projections through the School Utilization Report. When the enrollment is projected to be more universal, include the projections in the elementary school SGR calculations.

ANNUAL SCHOOL TEST GUIDELINES VERSION 2.0

Under the requirements of the 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. The procedures, methodologies, and standards used for the Annual School Test and school adequacy analysis during the development review process are to be outlined in the Annual School Test Guidelines, and reviewed and approved by the Planning Board.

With the adoption of the 2024-2028 GIP, the Annual School Test Guidelines were revisited and upgraded to Version 2.0, incorporating the following changes:

- The seat deficit thresholds for each UPP tier were updated to reflect changes made by Recommendation 2.2, as shown in Figure 1.
- The chapters within the Guidelines were reorganized.
- The language was revised to improve clarity and simplicity.

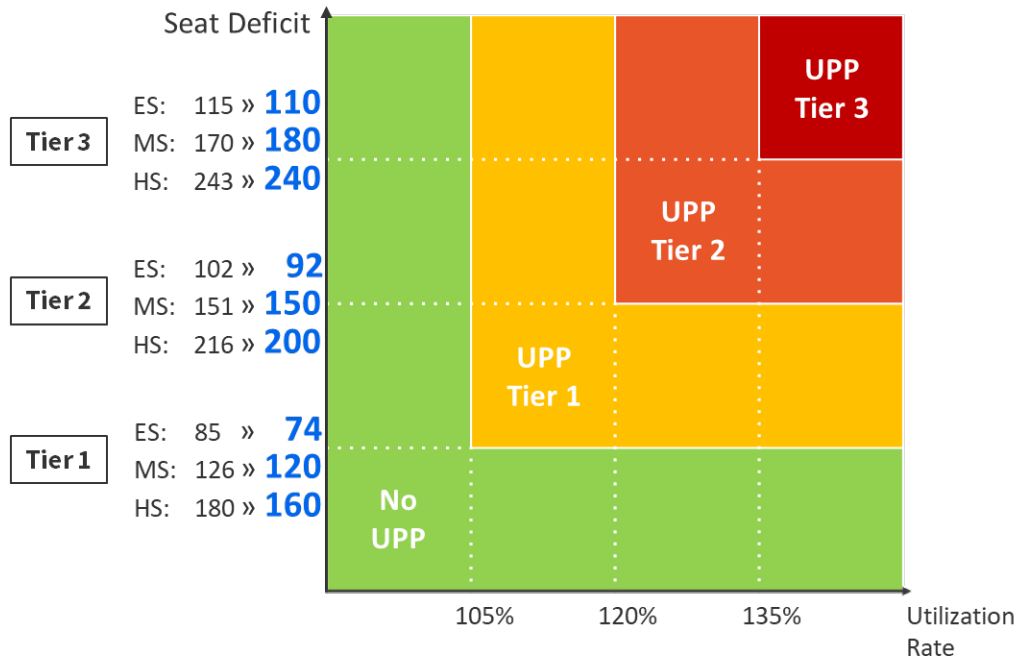


Figure 1 Annual School Test Seat Deficit and Utilization Rate Thresholds

UPDATED FY2025 ANNUAL SCHOOL TEST RESULTS

CURRENT UPP PLACEMENT BY FY 2025 ANNUAL SCHOOL TEST

The following school service areas are currently placed in UPP tiers by the FY 2025 AST that was certified by the Planning Board on June 20th and has been in effect since July 1st:

- **Tier 1 UPP**
 - High Schools: James Hubert Blake HS, Paint Branch HS
 - Middle Schools: Argyle MS
- **Tier 2 UPP**
 - Elementary Schools: Arcola ES, Burning Tree ES, Cashell ES, Flower Valley ES, Lake Seneca ES, Thurgood Marshall ES
- **Tier 3 UPP**
 - Elementary School: Mill Creek Towne ES

ADDITIONAL UPP PLACEMENT BY UPDATED FY 2025 ANNUAL SCHOOL TEST

The 2024-2028 GIP lowers the AST’s seat deficit threshold for each UPP tier, as previously shown in Figure 1. The Updated FY 2025 AST, which reflects the lowered thresholds, additionally places the following schools in a UPP tier, effective January 1, 2025

- **Tier 1 UPP**
 - Elementary Schools: New Hampshire Estates/Oak View ES, Sargent Shriver ES

The UPP placement of all other schools remain unchanged for the remainder of the fiscal year.

SCHOOLS APPROACHING ADEQUACY CEILINGS

With the lower seat deficit thresholds, the Updated FY 2025 AST will also lower the adequacy ceiling of most, if not all, schools. As a result, the following schools will have adequacy ceilings at or less than 10:

- **Cashell ES** – 9 seat ceiling to Tier 3 UPP
- **John T. Baker MS** – 10 seat ceiling to Tier 2 UPP
- **Farmland ES** – 6 seat ceiling to Tier 1 UPP

If a development application served by these schools is expected to generate more students than their adequacy ceiling, the next UPP tier level payment will be triggered, and the surcharge factor will get adjusted to reflect the proportion of students expected beyond the ceiling.

UPDATED FY2025 STUDENT GENERATION RATES

The official student generation rates (SGR), which are calculated for each School Impact Area by housing unit type, will also be updated on January 1, 2025 as shown in Table 1. This is due to the change in School Impact Area boundaries and classifications according to the adoption of Recommendation 2.1 of the 2024-2028 GIP. These SGRs will be used for estimating the enrollment impact of development applications during development review for the remainder of the fiscal year.

Table 1 Updated FY2025 Student Generation Rates

	ES	MS	HS	K-12 Total
Infill Impact Areas				
Single-Family Detached (SFD)	0.206	0.103	0.156	0.465
Single-Family Attached (SFA)	0.176	0.095	0.133	0.404
Multifamily Low-rise (MFL)	0.073	0.033	0.049	0.155
Multifamily High-rise (MFH)	0.041	0.017	0.019	0.077
Turnover Impact Areas				
Single-Family Detached (SFD)	0.184	0.101	0.153	0.438
Single-Family Attached (SFA)	0.217	0.118	0.167	0.502
Multifamily Low-rise (MFL)	0.121	0.065	0.083	0.269
Multifamily High-rise (MFH)	0.049	0.025	0.032	0.106

The Updated FY2025 Student Generation Rates are based on the same 2022 enrollment and housing data that was used to calculate the Original FY 2024-2025 Student Generation Rates, but reflect a change in average rates for Infill and Turnover Impact Areas due to the change in School Impact Area classification of some housing units. The official student generation rates will be recalculated with

2024 enrollment and housing data in June, and take effect on July 1, 2025 for FY 2026-2027, along with new school impact tax rates.

STAFF RECOMMENDATION

Staff recommends that the Board approve the Annual School Test Guidelines Version 2.0 and certify the results of the Updated FY2025 Annual School Test and Updated FY2025 Student Generation Rates.

Once certified, the results will take effect on January 1, 2025 until the end of the fiscal year.

ATTACHMENTS

Attachment A: Annual School Test Guidelines 2.0

Attachment B: Updated FY2025 Annual School Test Results