

FY2026 ANNUAL SCHOOL TEST, SCHOOL UTILIZATION REPORT, & MCPS'S BOUNDARY STUDY INITIAL OPTIONS OVERVIEW

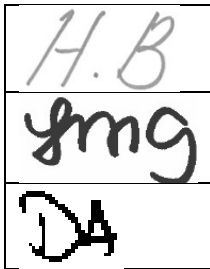
Description

This report presents the results of the FY 2026 Annual School Test, which will go into effect on July 1, 2025. It also includes a brief overview of the utilization rate projections for MCPS's initial boundary study options, and the newly calculated FY 2026-2027 student generation rates and school impact tax rates.

COMPLETED: 06/18/2025

PLANNING BOARD HEARING DATE: 06/26/2025

Planning Staff



Hye-Soo Baek, Adequate Public Facilities Planner III, Countywide Planning & Policy
Hye-Soo.Baek@montgomeryplanning.org, 301-495-2192

Lisa Govoni, Planning Supervisor, Countywide Planning & Policy,
Lisa.Govoni@montgomeryplanning.org, 301-650-5624

David Anspacher, Chief, Countywide Planning & Policy Division,
David.Anspacher@montgomeryplanning.org, 301-495-2191

Summary:

- **FY2026 Annual School Test.** The following school service areas will be placed in Utilization Premium Payment (UPP) tiers:
 - Tier 1
 - MS – North Bethesda
 - ES – Arcola, Ashburton, Bethesda, Cashell, Farmland, Lake Seneca, Poolesville
 - Tier 2
 - ES – Burning Tree
 - Tier 3
 - HS – James Hubert Blake
 - ES – Mill Creek Towne
- **FY2026-2027 Student Generation Rates** are dropping across most housing types compared to the updated FY2025 rates, except for Turnover multifamily units. **FY2026-2027 School Impact Tax** rates will increase by 20% for all impact areas and housing types.
- **MCPS's Initial Boundary Study Options** will overall improve the utilization rate imbalance between high schools and middle schools compared to a scenario where no boundaries are changed.

INFORMATION

Staff Contact

Hye-Soo Baek

Hye-Soo.Baek@montgomeryplanning.org

301-495-2192

Date Submitted

June 18, 2025

Planning Division

Countywide Planning & Policy

Planning Board Information

MCPB

Item No. 9

06-26-2025

CONTENTS

Section 1. Background	4
Section 2. FY2026 Annual School Test & School Utilization Report.....	5
Utilization Premium Payment Tier Placements	5
Schools with Low Adequacy Ceilings	5
Housing Sales Analysis.....	5
Section 3. FY2026-2027 Student Generation Rates & School Impact Tax.....	6
Section 4. MCPS's Initial Boundary Study Options	7
Section 5. Staff Recommendation	9

SECTION 1. BACKGROUND

The Annual School Test (AST) evaluates the adequacy of Montgomery County Public Schools (MCPS) facilities to determine the appropriate conditions of approval during the development review process throughout the fiscal year. Each individual MCPS school is evaluated by its projected utilization rate and seat deficit for four school years in the future, using the adequacy standards set by the 2024-2028 Growth and Infrastructure Policy (GIP) as shown in Figure 1 below.

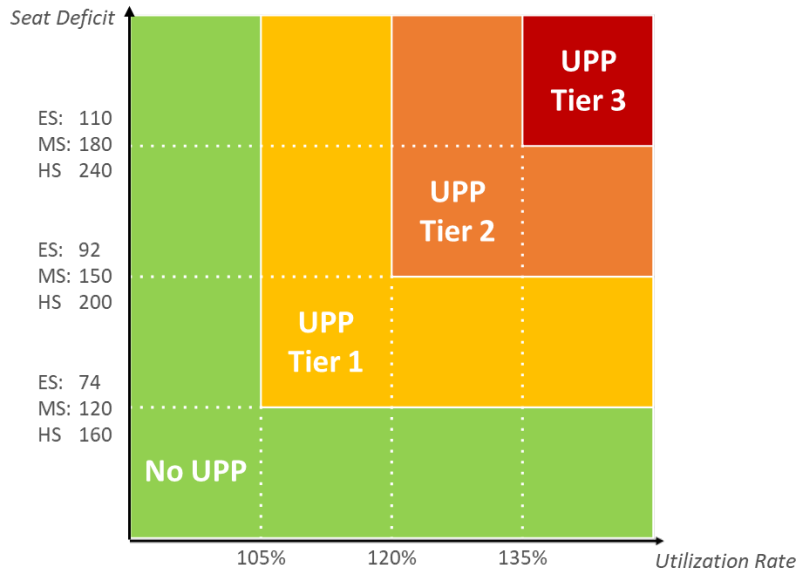


Figure 1 Adequacy Standards

If a school is expected to exceed the utilization rate and seat deficit threshold of a Utilization Premium Payment (UPP) tier, the school service area is placed in that tier accordingly. A Tier 1 UPP placement indicates a moderate level of projected overutilization, Tier 2 indicates intermediate overutilization, and Tier 3 indicates a high level of overutilization. When a residential unit is proposed in a school service area placed in a UPP tier, a UPP is assessed by default as a condition of approval, and the UPP factors shown in Table 1 are applied to a project's school impact tax rate.

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. During development review, if an application's estimated enrollment impact is found to exceed the adequacy ceiling of a school, the project's UPP factor is adjusted higher than what the default Annual School Test results indicate to reflect the number of seats above the adequacy ceiling. A project can therefore be assessed a UPP even if the school service area is not placed in a UPP tier.

The FY2026 Annual School Test results presented in this report (see Attachment A) were conducted under the 2024-2028 GIP standards. The Annual School Test Guidelines version 2.0, which was approved by the Planning Board on December 19, 2024, explains the standards and methodology used to conduct the test in further detail. The accompanying School Utilization Report, which provides supplemental information about countywide and individual school utilization trends, is included as Attachment B.

SECTION 2. FY2026 ANNUAL SCHOOL TEST & SCHOOL UTILIZATION REPORT

Utilization Premium Payment Tier Placements

The following school service areas are placed in a UPP tier by the FY2026 Annual School Test. As a result, residential units proposed within these school service areas will be assessed a UPP by default as a condition of approval during FY 2026.

- Tier 1
 - MS – North Bethesda
 - ES – Arcola, Ashburton, Bethesda, Cashell, Farmland, Lake Seneca, Poolesville
- Tier 2
 - ES – Burning Tree
- Tier 3
 - HS – James Hubert Blake
 - ES – Mill Creek Towne

Schools with Low Adequacy Ceilings

The following schools have relatively low adequacy ceilings (less than 10 seats) to subsequent UPP tiers. Development applications within these school service areas could potentially be assessed UPP factors higher than what the Annual School Test results indicate.

- John T. Baker MS – 9 seat ceiling to Tier 1 UPP
- Earle B. Wood MS – 9 seat ceiling to Tier 1 UPP
- Cashell ES – 3 seat ceiling to Tier 2 UPP
- Lake Seneca ES – 7 seat ceiling to Tier 2 UPP
- Sequoyah ES – 7 seat ceiling to Tier 1 UPP

Housing Sales Analysis

During the 2020 Growth and Infrastructure Policy update, Planning staff analyzed the student generation rates of single-family homes based on the year they were last sold and found that homes sold in recent years generate significantly more students than the average home. This helps explain the ebb and flow of enrollment growth beyond the estimated enrollment impact from development that many school service areas in the County are experiencing. As such, the School Utilization Report

includes a summary of housing sales, new development, and total housing unit counts of each school service area. The following school service areas saw the most single-family home sales during 2024.

High School Service Areas

1. Walter Johnson
2. Gaithersburg
3. Churchill

Middle School Service Areas

1. Pyle
2. North Bethesda
3. Cabin John

Elementary School Service Areas

1. Ashburton
2. Whetstone
3. Stedwick

SECTION 3. FY2026-2027 STUDENT GENERATION RATES & SCHOOL IMPACT TAX

A student generation rate is the average number of students living in a particular type of residential unit for a given geography. The official student generation rates are updated biennially on July 1 of every odd-numbered calendar year. Table shows the rates for FY 2026-2027 that will go into effect on July 1, 2025.

Table 2 FY2026-2027 Student Generation Rates

		ES	MS	HS	K-12
Infill Impact Areas	Single Family Detached (SFD)	0.197	0.104	0.152	0.453
	Single Family Attached (SFA)	0.165	0.088	0.137	0.390
	Multifamily Low-rise (MFL)	0.066	0.034	0.049	0.490
	Multifamily High-rise (MFH)	0.039	0.016	0.020	0.076
Turnover Impact Areas	Single Family Detached (SFD)	0.180	0.098	0.148	0.427
	Single Family Attached (SFA)	0.207	0.113	0.166	0.487
	Multifamily Low-rise (MFL)	0.123	0.064	0.083	0.270
	Multifamily High-rise (MFH)	0.059	0.026	0.040	0.124

The K-12 student generation rates are dropping across most housing types compared to the updated FY2025 rates. This is in large part due to MCPS's total enrollment decreasing over the past two years. The multifamily high-rise rate for Turnover Impact Areas is, however, increasing, which is indicative of the housing market where more families are being priced out of single-family units and living in relatively affordable multifamily units longer.

New school impact tax rates will also go into effect on July 1, 2025. School impact tax rates are calculated based on student generation rates and school construction cost per student, but there is a 20% cap on increases from previous rates, with the remainder to be carried over to future calculations. As shown in Table , the 20% cap is activated for all impact areas and housing type categories for the FY2026-2027 school impact tax rates.

Table 3 FY 2026-2027 School Impact Tax Rates

		Raw Calculation	Official Rate (with 20% Cap)
Infill Impact Areas	Single Family Detached (SFD)	\$33,633	\$30,005
	Single Family Attached (SFA)	\$28,972	\$25,997
	Multifamily Low-rise (MFL)	\$11,063	\$7,901
	Multifamily High-rise (MFH)	\$5,574	\$4,487
Turnover Impact Areas	Single Family Detached (SFD)	\$31,630	\$31,301
	Single Family Attached (SFA)	\$36,074	\$35,347
	Multifamily Low-rise (MFL)	\$20,025	\$16,350
	Multifamily High-rise (MFH)	\$9,300	\$7,288

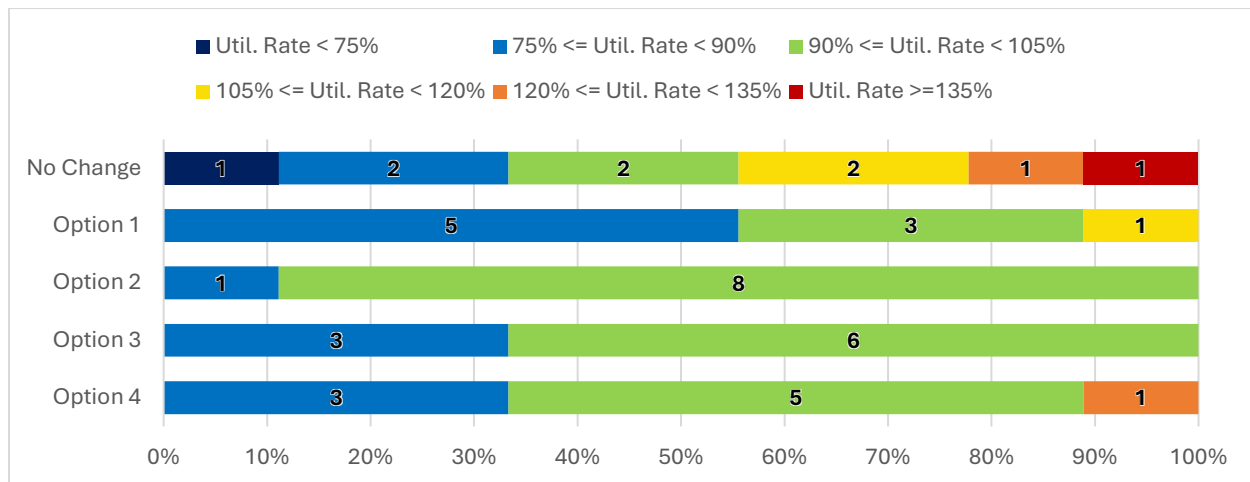
SECTION 4. MCPS'S INITIAL BOUNDARY STUDY OPTIONS

Montgomery County Public Schools (MCPS) has released initial options for the new high school and middle school service areas as part of the boundary study for Crown and Woodward High Schools. The maps of the initial boundary options are included in Attachment C.

The tables and graphs below show the 2030-2031 school year utilization rate projections for each Woodward boundary option in comparison to a scenario in which no boundaries are changed. The projections provided for the boundary study, including the no change scenario, are based on a premise that all students residing in a school service area attend the school they are assigned to by home address, and therefore differ from MCPS's official FY 2026 projections used in the Annual School Test and School Utilization Report.

Table 4 Woodward Boundary Options High School Utilization Rate Projections for 2030-2031 (Resident Students)

High School	No Change	Option 1	Option 2	Option 3	Option 4
Bethesda-Chevy Chase HS	97.5%	97.3%	85.4%	100.8%	98.7%
Montgomery Blair HS	104.8%	104.7%	96.8%	99.6%	100.6%
Albert Einstein HS	111.0%	84.0%	94.9%	86.1%	92.9%
Walter Johnson HS	139.0%	88.6%	92.0%	87.0%	77.0%
John F. Kennedy HS	110.9%	104.3%	99.4%	102.7%	95.8%
Northwood HS	81.9%	82.1%	95.8%	83.2%	87.7%
Wheaton HS	127.8%	117.3%	99.0%	102.6%	120.2%
Walt Whitman HS	89.8%	89.8%	97.1%	98.3%	89.0%
Charles W. Woodward HS	0.0%	85.2%	99.3%	94.7%	94.5%



*Figure 2 Woodward Boundary Options High School Utilization Level Distribution Graph
(data label on bars indicate the number of schools within each utilization level)*

As seen in Table 4 and Figure 2, at the high school level, Option 2 of the Woodward boundary study will bring the most high schools between a utilization rate of 90% to 105%. The other options will improve the utilization rate imbalance between high schools compared to a no change scenario. However, Option 1 and 4 will leave Wheaton High School overutilized at a level that would require a Tier 1 and Tier 2 Utilization Premium Payment, respectively, if evaluated by a future Annual School Test.

Table 5 Woodward Boundary Options Middle School Utilization Rate Projections for 2030-2031 (Resident Students)

Middle School	No Change	Option 1	Option 2	Option 3	Option 4
Argyle MS	102.8%	102.8%	88.1%	105.0%	101.5%
Eastern MS	76.0%	85.5%	83.5%	94.8%	86.3%
A. Mario Loiederman MS	99.4%	99.4%	83.6%	91.4%	86.1%
Newport Mill MS	84.4%	84.4%	90.1%	95.8%	79.5%
North Bethesda MS	109.2%	80.6%	96.8%	96.1%	93.3%
Parkland MS	67.3%	67.3%	92.6%	82.2%	86.2%
Thomas W. Pyle MS	84.9%	84.9%	88.2%	95.6%	82.5%
Odessa Shannon MS	103.9%	103.9%	80.2%	84.2%	92.1%
Silver Creek MS	89.2%	71.0%	91.3%	73.1%	84.4%
Silver Spring International MS	87.3%	78.4%	86.9%	85.3%	80.2%
Sligo MS	82.5%	72.4%	81.1%	73.4%	72.4%
Takoma Park MS	71.0%	95.8%	82.7%	81.9%	87.8%
Tilden MS	92.8%	92.8%	84.3%	72.0%	94.7%
Westland MS	69.7%	97.4%	80.7%	83.3%	85.2%

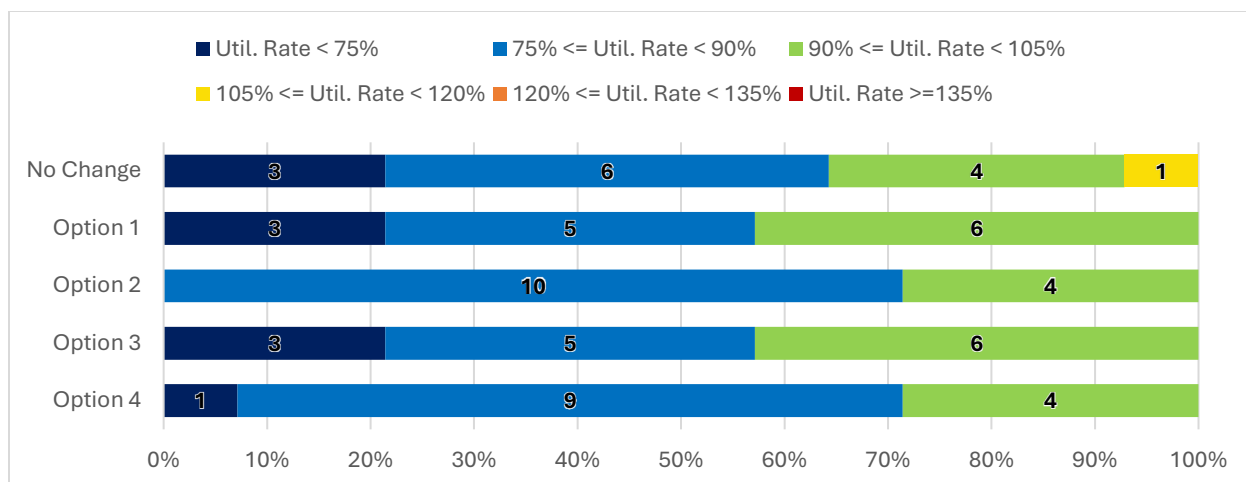


Figure 3 Woodward Boundary Options Middle School Utilization Level Distributions Graph

(data label on bars indicate the number of schools within each utilization level) At the middle school level, all four options will relieve the one school (North Bethesda) projected to be overutilized. Option 2 will improve the utilization rate balance between middle schools the most, similar to high schools, with no school utilized above 100% or below 75%. Options 1 and 3, will each leave three schools severely underutilized at less than 75%.

For MCPS, though, balancing utilization rates is only one factor to consider when making changes to school boundaries. There are three other factors – demographic characteristics of student population, geography, and stability of school assignments over time – that are reflected in the options with differing priority levels. According to the boundary study timeline, MCPS will continue to gather feedback from the community and refine the options throughout the summer and fall, with a goal of developing superintendent recommendations by December.

SECTION 5. STAFF RECOMMENDATION

Planning Staff recommends that the Board certify the results of the FY2026 Annual School Test. Once certified, the results will take effect on July 1, 2025, and remain effective throughout the 2026 fiscal year.

Attachments

Attachment A: FY2026 Annual School Test Results

Attachment B: FY2026 School Utilization Report

Attachment C: MCPS's Initial Boundary Options Maps