

MEMORANDUM

September 23, 2016

TO: Planning, Housing, and Economic Development Committee
FROM: ^{GO} Glenn Orlin, Deputy Council Administrator
SUBJECT: 2016-2020 Subdivision Staging Policy (SSP): school test; future approaches

**Please bring the SSP Report and Appendix to this worksession.
The Draft SSP resolution is on pp. 111-164 of the Appendix.**

During this worksession the PHED Committee will review all aspects of the public school adequacy test, as well as future approaches proposed by the Planning Board.

I. SCHOOL TEST

Background. The SSP (and its predecessor, the Annual Growth Policy) has included a school test since the late 1980s. The initial test, which was in effect until 2007, compared projected enrollment at a level (ES, MS, HS) to capacity at that level 5 years later. Capacity (then called “Council-funded program capacity”) was standard across all classrooms: 22.5 students/room at the MS and HS levels, 25 students/room for Grades 1-6, 44 students/room for half-day kindergarten and 22 students/room for all-day kindergarten. Then (as now) only permanent teaching stations were counted in the calculations; relocatable capacity was not counted. If projected enrollment 5 years out at any level in a cluster exceeded 110% of Council-funded capacity, the cluster would be placed in moratorium for housing subdivision approvals. However, this would occur only if there were not surplus capacity at that level in a physically adjacent cluster; the assumption was that if this were the situation, the Board of Education (BOE) could solve the overcrowding with a cross-cluster boundary change, which was not uncommon then. In applying this test, no cluster was ever placed in a housing moratorium due to the lack of school capacity.¹

¹ For one year during the 1990s the test might have resulted in a moratorium in the Paint Branch Cluster. The projected enrollment at the HS level exceeded 110% capacity marginally, and there was no surplus HS capacity in an adjacent cluster from which to borrow. However, it was noted that Sherwood HS would have an addition completed in 6 years, one year later than what was “countable” under the test. Rather than having the Paint Branch Cluster go into moratorium for just one year, the Council voted 5-4 to find that the Paint Branch Cluster was adequate for school facilities.

In 2007 the Council significantly tightened the test. First, it eliminated the practice of “borrowing” surplus capacity from an adjacent cluster. Second, it abandoned “Council-funded program capacity” in favor of the program capacity figures used by MCPS, which assumes smaller capacities for specialty classrooms: 15/room for ESOL, 10/room for emotional disability; 6/room autism spectrum disorder, etc. So, while it set the moratorium standard at 120%, the combined effect of the first two changes produced a much tighter test.²

The 2003 Growth Policy introduced the concept of the school facility payment (SFP), but not until the 2007 Growth Policy, when the threshold was lowered, did it have an effect. Since 2007 a developer has had the option to pay the SFP to meet the school test if the enrollment/capacity ratio at a cluster/level exceeds 105%³ but is under 120%. The SFP rates have been set at 60% of the capital cost/student seat at each level, based on the average cost of a new school at each level. The development would pay the cost/seat rate for the number of seats at each level it generates above 105% capacity, so in some clusters there could be two or even three sets of payments. The payments are made concurrently with impact taxes: 6 months after issuing of a building permit or at final inspection, whichever is earlier. The first SFP payments were made in FY11; over the FY11-16 period only \$4,957,329 has been collected. SFP payments fund only 0.1% of MCPS’s Approved FY17-22 CIP.

Fiscal Year	School Facility Payment (SFP) Collections
2011	\$6,244
2012	163,918
2013	15,250
2014	2,008,371
2015	1,967,790
2016	795,756
Total	\$4,957,329

Six years ago the Council recognized that some clusters that were about to exceed 120% at a level were at that point because the Board of Education (BOE) wasn’t ready to request funding in the CIP for a specific new school or addition. Since then the Council has approved a series of placeholder projects. Each placeholder sets aside funding for a small generic addition in the cluster, enough to bring the calculation beneath 120% (but not below 105%). This was done, however, only when MCPS concurrently was developing a potential “real” project for that cluster/level as part of its facility planning program, and when MCPS staff felt assured that the project ultimately forthcoming from facility planning would be requested by the BOE for completion within the original 5-year timeframe. As a result, except twice⁴, no cluster-and-level since 2010 has been in moratorium.

² In 2007 the Board of Education and the Planning Board both had recommended setting the moratorium threshold at 135%, still a tighter test than before. The BOE was concerned that the 120% threshold would have the effect of diverting too much funding for additions, and short-changing funding for modernizations.

³ In 2007 the Planning Board and Board of Education had recommended 110% as the threshold for the SFP.

⁴ When the first set of placeholder projects were approved, one for the Clarksburg Cluster at the MS level was not, because MCPS had not yet started facility planning for it. So the Clarksburg Cluster went into moratorium for about 8 months. In 2011 the placeholder project for Richard Montgomery HS was removed as a cost savings during CIP Reconciliation: 95% of the cluster was in the City of Rockville, which at the time was not subject to the County’s school test anyway.

The SSP calls for the Planning Board to assess clusters annually. The most recent assessment was conducted on June 23, 2016, at which time the Board found that no clusters would be in moratorium. However, 4 clusters at the ES level, 3 clusters at the MS level, and 10 clusters at the HS level were in the 105-120% range, requiring the developer to pay at least one SFP to proceed. Residential development in the Einstein, Northwood, and Quince Orchard Clusters require payments at both the ES and HS levels, and at all three levels in the Gaithersburg Cluster (©15-17).

Rockville and Gaithersburg, as municipalities with independent planning and zoning authority, have their own adequate public facility tests for development within their respective boundaries. Within the last couple of years Rockville decided to tie its test to whatever the County's test is. Gaithersburg's school adequacy test is:

- A school level test
- Uses a 6-year test timeframe
- Moratorium is triggered at 150% utilization, using BOE program capacity
- Mitigation/facility payments are required at 105% utilization, using BOE program capacity. Any school payment must be used to relieve over-utilization at the school where it was collected. If no capacity can be added there, the funds can be used to support additional capacity at a school that will relieve the over-utilized school.

The moratorium threshold for clusters. The Planning Board recommends retaining the 120% threshold at any level for residential moratorium in a cluster. The Executive concurs, stating that a tighter test would “immediately stop development without offering a solution to the problem” (©2). Several development representatives also oppose tightening the threshold.

The BOE recommends tightening the cluster moratorium threshold to 110% as part of a strategy to curb overcrowding. MCCPTA and several civic associations and individuals concur. If this rule were approved and effective this year, then 12 of the county's 25 clusters would go into a housing moratorium: Blair, Churchill, Einstein, Gaithersburg, Walter Johnson, Kennedy, Richard Montgomery, Northwood, Paint Branch, Quince Orchard, Rockville, and Wheaton. Under this test the following policy areas would be entirely or largely in a housing moratorium: Silver Spring CBD Metro Station Policy Area (MSPA), Wheaton CBD MSPA, Glenmont MSPA, Rockville Town Center MSPA, White Flint MSPA, Fairland, North Bethesda, North Potomac, Silver Spring/Takoma, and Kensington/Wheaton, as well as parts of the Rockville and Aspen Hill.

MCPS staff has compared Montgomery County's thresholds with those in other Maryland jurisdictions that have adequate public facility ordinances (©22). For those in the vicinity of Montgomery County:

- Prince George's County has the same threshold: 120% of program capacity
- Howard County: 115% of State-rated capacity
- Carroll County: 120% of State-rated capacity
- Frederick County: 120% of State-rated capacity

State-rated capacity is a slightly different measure of capacity than the BOE's program capacity. For the current schools in the County the cumulative capacity at each level according to the two calculations are:

	ES	MS	HS	All Levels
BOE Program Capacity	72,176	36,219	48,017	156,412
State-Rated Capacity	75,761	36,875	46,452	159,088
BOE/State-Rated Capacity Ratio	0.95	0.98	1.03	0.98

Source: MCPS, FY 2017 Educational Facilities Master Plan, Appendix J. Capacity figures are from 2015-2016.

This means that, at the ES level, 120% of BOE capacity is about the same as 114% of State-rated capacity. At the MS level, 120% of BOE capacity is about equal to 118% of State-rated capacity. At the HS level, 120% of BOE capacity is about the same as 124% of State-rated capacity. Across all levels, 120% of BOE capacity is about 118% of State-rated capacity.

Council staff's primary recommendation: Concur with the Planning Board; retain the 120% threshold for a moratorium. The current threshold is roughly comparable to those in neighboring jurisdictions, when all levels are taken into account.

Council staff's secondary recommendation: Should the Council nevertheless wish to tighten the threshold, it should bring it no lower than 115%. This threshold would be tighter than neighboring jurisdictions—including Howard County—at every level. If 115% were the threshold, 4 of the county's 25 clusters would go into moratorium: Blair, Einstein, Northwood, and Rockville. Under this test the Silver Spring CBD and Wheaton CBD policy areas would be in a housing moratorium, as well as much of Silver Spring/Takoma and Kensington/Wheaton, and parts of Rockville and Aspen Hill.

An important caveat. All of these consequences are for the *current* fiscal year if a new test were implemented effective November 15. In past Growth Policies a new test often was deferred until the following fiscal year. At this time, however, we have no enrollment or capacity projections for the 2022-23 school year: the 5-year time-horizon from next July. On October 10 MCPS's school-level and cluster-level enrollment forecasts for 2022-23 will be public, and on or about November 1 the Superintendent's request for CIP amendments will be known. So the Council will not know the likely effect of a tighter test until near the end of the Council's SSP deliberations. We can provide the Committee with the effects based on the new enrollment forecast and the existing CIP schedule at its last worksession on October 20; this would probably be an approximation of the July 2017 results.

The SFP threshold for clusters. The Planning Board recommends retaining the 105% threshold for school facility payments, and development representatives generally concur. The Board of Education, the Executive, MCCPTA, and several civic associations and individuals recommend tightening it to 100%. The following cluster-levels would enter the SFP range if implemented in November: B-CC-HS; Blake-ES & HS; Poolesville-HS; Seneca Valley-ES; Springbrook-ES & MS; and Whitman-MS. Again, note the caveat above.

Council staff's recommendation: Set the SFP threshold at 100%. The main effect is the potential for some more SFP revenue. But this revenue source is small, so adding more cluster/levels to the SFP range would generate only a modest additional contribution to the funds available for school construction.

Individual school capacity deficit test. The Planning Board recommends a new test that would restrict approvals if an ES's or MS's projected enrollment were to exceed both a certain percentage

utilization and a certain number of seats in deficit. The rationale is to recognize that some individual schools are considerably over capacity and cannot be addressed directly by a within-cluster boundary change, such as where spare capacity exists only at the far end of the cluster from the overcrowded school. The proposed test would be as follows:

- A moratorium would be imposed at an ES if utilization were to exceed 120% and there were a deficit exceeding 110 seats.
- A moratorium would be imposed at a MS if utilization were to exceed 120% and there were a deficit exceeding 180 seats.
- An SFP would be imposed at an ES if there were a deficit exceeding 92 seats (4 classrooms).
- An SFP would be imposed at a MS if there were a deficit exceeding 150 seats (6 classrooms).

When a capacity project at one school is intended to relieve enrollment burdens at another, the school test would continue to show a capacity deficit at the burdened school until MCPS approves a service area boundary change, usually shortly before construction of the additional capacity is complete.

The BOE, MCCPTA, and several civic associations and individuals support this proposed test. The County Executive and several development representatives oppose it. If implemented with the adoption of the SSP in November, 6 ES service areas would go into moratorium: Rosemont, Strawberry Knoll, and Summit Hall (all in the Gaithersburg Cluster), Highland View (Northwood), Lake Seneca (Seneca Valley), and Thurgood Marshall (Quince Orchard). Two ES service areas would be in the SFP range: Garrett Park (Walter Johnson), and Meadow Hall (Rockville). See the Appendix, p. 104.

The three largest forecasted deficits are at the Gaithersburg Cluster schools. In FY16 MCPS held a tri-cluster (Gaithersburg/Wootton/Magruder) roundtable to develop solutions to projected overcrowding at four ES schools in the Gaithersburg Cluster: these three and Gaithersburg ES. The recommendations from then-Interim Superintendent Larry Bowers are on ©23-29. The decision was to request funds to program a \$26 million addition to Gaithersburg ES; this spring the Council included it in the FY17-22 CIP for completion by August 2020. As for the other schools:

- *Rosemont*: much of the projected increase depends on the buildout of the new developments on the Crown Farm and around the Shady Grove Metro Station. Mr. Bowers noted that the pace of development could be lower than anticipated in the forecasts. Furthermore, he recommended a cross-cluster boundary study to reassign some of the Gaithersburg Cluster service area to the Magruder Cluster to resolve this overcrowding. On April 19 the BOE decided that the portion of the Shady Grove Sector Plan located east of I-270 would be reassigned to the Magruder Cluster. The boundary study will begin next spring, BOE action would be in the fall of 2017, and reassignments would occur starting in the 2018-2019 school year.
- *Strawberry Knoll*. This school has 6 portables on site. It sits on 10.8 acres, the largest ES site in the cluster. Enrollment is projected to trend slightly lower over the next 5 years. As a result, enrollment will be monitored and an addition will be considered in the future if warranted by enrollment.
- *Summit Hall*. Like Strawberry Knoll, this school's enrollment forecast is trending slightly downward. It is currently in the Future Revitalizations/Expansions schedule for completion in January 2024. The BOE, understandably, wants to include any capacity expansion here within the rev/ex project. A further complication is that, based on OLO's study of the FACT

assessment ranking system of rev/ex projects, Summit Hall's place in the queue will be reevaluated. For these reasons the BOE has not requested funding for an addition.

The SSP report states that MCPS considers an addition at an ES when forecasted enrollment exceeds capacity by 92 seats, equal to 4 classrooms. But, in fact, this is a flexible standard, depending upon the overall MCPS capital needs and its understanding as to what it can reasonably request from the Council. In the last CIP cycle the BOE judged that, due to fiscal constraints, a projected deficit of at least 125 seats would be the trigger for it to request funding for an ES addition. Highland View ES, Lake Seneca ES, and Thurgood Marshall ES were forecasted to exceed program capacity by 112, 113, and 118 seats, respectively, so the BOE did not request funding for additions at these schools.

In Council staff's view, the BOE made the correct judgment. Even with what it considered a restrained request, it received the highest level of capital funding in its history: \$1.73 billion, an increase of \$186 million (12%) over the prior CIP, while funding for most other County agencies—especially County Government and Montgomery College—declined. MCPS's share of the CIP funding rose from 25% to an astounding 37%.

Council staff recommendation: Do not introduce an additional individual school test. As noted above, the BOE had specific reasons not to request funding for each of these schools at this time, for a variety of reasons. Council staff does not see a rationale for placing restrictions on an individual school level where the BOE itself could not justify requesting funding for additional capacity (©31-34).

Placeholder projects. The Planning Board recommends limiting the use of placeholder projects for no more than 2 years at a time. As noted above, the purpose of these projects is to serve as a bridge, giving MCPS time to develop a project in facility planning until the BOE is ready to request a specific project for funding in the CIP. This, generally, should not take longer than 2 years. The BOE, MCCPTA, and several individuals agree with the Planning Board. The County Executive disagrees with the limitation, as do several development representatives.

The odd aspect of this recommendation is that it does not intend to control the timing development, per se, but to control the Council's own ability to act if it finds an overriding reason to thwart a moratorium. For example, what if the BOE is slow to make a decision as to how to add capacity in a cluster? Should the BOE, by not requesting funds for a new school or addition, effectively be allowed to control the timing of residential development? The Council must retain its prerogative to extend the use of placeholders beyond 2 years. This prerogative is likely to be used only rarely, if at all.

Council staff recommendation: Amend the Planning Board's suggested text in Section S3 as follows (see Appendix, p. 129):

Placeholder capacity for a particular cluster level or school [can only] will, in most circumstances, be counted as capacity in the annual school test for no more than two years.

Use of SFP funding. The impact tax is an excise tax. Its purpose is to collect revenue from new development to pay its fair share of the cost of capacity. While impact taxes can be used only for capital projects that add capacity, as an excise tax there does not need to be a close nexus between where the funds are collected and where the funds are spent. For the school impact tax, for example, funds

collected in one part of the county can and have been spent on a new school or addition in another part of the county. The school increment to the recordation tax is another example of an excise tax.

The School Facility Payment is something else entirely. It is an optional fee paid by a development to pass a localized adequacy test where there is not enough capacity in a particular cluster at a particular level. As a fee, there must be a strong nexus between what the fee revenue is used for and why the fee was paid in the first place. County Code §52-94 reads:

(e) The Department of Finance must retain funds collected under this Section in an account to be appropriated for MCPS capital improvements that result in added student capacity for, to the extent possible, the affected grade level in the school cluster, or, if no cluster is established, another geographic administrative area, where the development for which the funds were paid is located.

In other words, if a developer pays an SFP because of a shortage at the ES level in the Quince Orchard Cluster, then the funds are to be spent to address a shortage at the ES level in the Quince Orchard Cluster. The “to extent possible” language has been interpreted to allow funds to be spent to fund capacity improvements at a different level—but still for the same cluster. In this above example, if there were no ES capacity project in the Quince Orchard Cluster to which to put the ES SFP, it could be used towards funding an active project to add capacity at the MS or HS level in that cluster.

The BOE, the Executive, and MCCPTA recommend using SFP revenue anywhere in the county. This would go against the policy and legal underpinnings of the SFP. However, the example given by MCPS at the last PHED worksession *is* allowable. If a capacity problem at an ES in one cluster can be addressed by an ES addition an adjacent cluster—accompanied by a boundary change between the clusters—then the SFP collected in the first cluster could be used for its intended purpose: solving the problem that caused the need for the payment in the first place. **Council staff recommendation: Do not change the rule as to where SFP revenue may be spent.**

The rate structure for the SFP. Currently there are 12 rates for the SFP: an ES, MS, and HS rate for each of the four housing categories: single-family detached, townhouses, garden apartments, and high-rise apartments. The rates are shown below, and are based on the per-student construction cost of a new school at each level: the existing rates are pegged at 60% of the per-student cost. In 2007 school impact taxes rates were set to collect 90% of the per-student construction cost, and the SFP was set at 60%. It was expected that nearly all housing development would pay the impact tax but relatively few developments would likely pay the SFP, so a combination of 90% for the impact tax and 60% from the SFP would generate about 100% of the per-student cost from new development.

The Planning Board recommends amending the impact tax rates to collect 100% of the per-student cost from impact taxes and 50% from the SFP. This combination should generate a higher than 100% share from new development. However, since the recently calculated per-student costs of construction are different than what have been used, the Planning Board is recommending revising the aggregate rates to reflect this fact. OMB and Finance is forecasting about 3.9% less revenue over the next 6 years from the proposed school impact tax rates; it did not forecast SFP revenue because the limited number of payments to date, the uncertainty when payments will actually be made, and the uncertainty when a specific cluster/level will be in SFP range.

Existing/Proposed SFP Rates (per student)

	ES	MS	HS
Single-family detached	\$6,940/\$3,812	\$3,251/\$2,158	\$4,631/\$3,469
Single-family attached	\$4,160/\$4,351	\$1,743/\$2,119	\$2,754/\$3,352
Multi-family garden	\$2,838/\$1,169	\$1,169/\$1,564	\$1,877/\$2,414
Multi-family high-rise	\$1,166/\$1,320	\$531/\$574	\$804/\$891

The BOE supports the Planning Board’s proposed SFP rates. Several development representatives also support them. MCCPTA and several individuals support a higher rate, equal to 75% of the per-student cost; the rates would be 50% higher than those shown in the table above.

Council staff recommendation: Concur with the Planning Board. The new rates, in combination with the school impact tax, already would generate from new development somewhat more revenue than its share of the cost of school construction. Given how little revenue the SFP generates, even a 50% increase won’t amount to much.

Updating the SFP rates. The Planning Board recommends updating both impact tax rates and SFP rates biennially based both on updated student generation rates by level and housing type as well as updated costs of school construction. At its September 22 worksession on Bill 37-16 the GO Committee recommended that the rates be updated on January 1 in odd-numbered years. The January 1 following an SSP update (2016, 2020, etc.) would reflect the Council’s decisions in that update; the alternate biennial updates (2018, 2022, etc.) would be calculated by the most recent costs of school construction and the latest student generation rates by level and housing type. **Council staff recommendation: Update the SFP rates following the same methodology and schedule as the GO Committee recommends for school impact taxes.**

II. FUTURE APPROACHES

The SSP Report (pp. 55-56) suggests four subjects for future exploration: sustainability, water quality, urban parks, and urban design. There is wide agreement that these are important issues to evaluate further. However, only those conclusions and recommendations that pertain to the timing of subdivision approvals should be included in the SSP resolution. Some suggested actions would be more appropriately proposed in a different venue: a bill, a regulation, a budget request, etc. For example, the 2016-2020 SSP report has recommendations to amend the two impact tax laws, so the Board transmitted them separately in Bill 37-16.

The Planning Board intimates that a subdivision adequacy test for urban parks is a possibility in the future. Here it is important to hearken back to the legislative authority for the SSP: the Adequate Public Facilities Ordinance, §50-35(k) of the Subdivision Ordinance. The APFO specifically lists the facilities to be examined for adequacy:

(k) *Adequate public facilities.* The Planning Board must not approve a preliminary plan of subdivision unless the Board finds that public facilities will be adequate to support and service the area of the proposed subdivision. Public facilities and services to be examined for adequacy include *roads and public*

transportation facilities, sewerage and water service, schools, police stations, firehouses, and health clinics. [emphasis mine]

Parks is not listed as a facility to be measured for adequacy. Before starting to develop a parks test, the Council should decide whether it wants such a test. If so, the Council would need to amend §50-35(k) to include parks.

Attachments

County Executive's September 15 recommendations	©1-2
Asst. CAO Ramona Bell-Pearson's comments for the Executive	©3-6
Board of Education's recommendations	©7-10
MCCPTA's (Next Steps Reps) testimony	©11-14
Results of school test for FY17	©15-17
Greater Bethesda Chamber of Commerce testimony	©18-19
Citizens Coordinating Committee on Friendship Heights testimony	©20-21
School tests among jurisdictions with APFOs	©22
Bowers recommendations for Tri-cluster Roundtable	©23-28
BOE decision on Tri-cluster Roundtable recommendations	©29-30
Excerpts from FY2017 Educational facilities Master Plan	©31-34

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

September 15, 2016

RECEIVED
MONTGOMERY COUNTY
COUNCIL

2016 SEP 15 PM 3:15

TO: Nancy Floreen, President
Montgomery County Council

FROM: Isiah Leggett
County Executive

SUBJECT: Subdivision Staging Policy

I have asked Executive Staff to prepare comments for me related to the FY 2016-2020 Subdivision Staging Policy that was submitted to the Montgomery County Council by the Maryland-National Capital Park and Planning Commission Planning Board. My comments related to transportation issues are attached as represented by the memorandum signed by Al Roshdieh, as the Director of Transportation.

I have also had the opportunity to consider the Subdivision Staging Policy recommendations related to public schools. While I generally agree with the comments made by the Montgomery County Board of Education, I have some concerns about those proposals made that are related to the annual school test.

- In particular, the addition of an individual school level test using seat deficit thresholds to trigger the capital project planning for Montgomery County Public Schools is of concern because, while the overall cluster test may not indicate a deficit, the individual test might present an impediment for the Community to move forward without providing any opportunities to address the facility needs other than delaying development. While I understand the Community interest in addressing the needs of the individual schools, I am concerned that giving this level of attention to specific schools within any given cluster will only trigger project planning instead of addressing the individual school issues.
- I am in agreement with the proposed addition suggested by the Board of Education to decrease the cluster level test threshold from 105% to 100% as a trigger for facility payment.

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The Honorable Nancy Floreen, President
September 15, 2016
Page 2

- I, however, have concerns about the Board of Education proposal to decrease the cluster level test threshold from 120% to 100% as a development moratorium trigger because this would immediately stop development without offering a solution to the problem. Standing alone, the proposal does not solve or even address the problem of the over-extended school. While it is important to maintain a balance in our schools to ensure the high quality of education our children have now, it is also important to meet the needs of the Community by providing solutions that not only address the immediate impact but also the long-term problem.

Thank you for this opportunity to review and comment on the proposed Subdivision Staging Policy. I will also have Executive Staff present at the upcoming Council work sessions to participate in Council review of the many issues related to this policy.

I am confident that collaborative work between the County Council, the Planning Board, Montgomery County Public Schools and the Board of Education will result in the development of an effective and successful policy.

Attachment

cc: Casey Anderson, Chair, Montgomery County Planning Board
Michael A. Durso, President, Montgomery County Board of Education



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

September 20, 2016

TO: The Honorable Nancy Floreen, President
Montgomery County Council

FROM: Ramona Bell-Pearson 
Assistant Chief Administrative Officer

SUBJECT: School Impact Tax and School Test issues

This memorandum is consolidated to give comments from the County Executive and Staff related to policy issues and related concerns about the school test issues proposed in the Subdivision Staging Policy submitted to Council by the Planning Board as well as the school impact tax issues proposed in Bill 37-16. The County Executive comments related to the transportation impact tax issues proposed in Bill 37-16 as well as transportation test issues contained in the Subdivision Staging Policy (SSP) are covered by the memorandum submitted by the Director of Transportation.

During the course of the first round of discussions on September 19, 2016 for the subdivision staging policy Mr. Orlin suggested that school facility payments may actually be a fee rather than a tax and therefore are not subject to use outside of the cluster in which they are collected. If this is an accurate classification for facility payments then there would be a legal bar to the School Board proposal that suggests using school facility payments countywide regardless of which cluster the development occurs for which they were paid. The Executive supports the flexibility that countywide use would provide and supports the School Board proposal to allow use of payments countywide if that action is not legally barred.

An additional comment was made by Mr. Orlin during the September 19, 2016 work session which suggested that there is no need for Council to adopt the Planning Board proposal that Developers who dedicate land for new schools be given a tax credit because the current law already permits such actions based on the conditions and circumstances of the dedication. The Executive does not support making any changes to the existing authority so that the conditions and circumstances that are currently imposed to determine if a credit will be permitted are still available to decision makers when dedications occur.



3

School Facility Payments

- Rates are now based on actual school construction data and changes to student generations rates, resulting in significantly reduced rates for single-family detached homes (decreases of 33% to 82%), while rates increase for all other types of residential housing (up to 25% for multi-family garden units).
- Proposed SSP to implement a hybrid annual school test that combines cluster utilization tests with individual school capacity deficit tests.
 - This would maintain the cluster tests, and introduce individual school service area test at the ES and MS level.
 - The County Executive does not support implementing an individual school test, if it would dis-incentivize using existing capacity within the cluster or neighboring clusters to address capacity needs within an individual school service area. If, however, by establishing a hybrid school test that determines overcapacity at the individual school level and restricts development only in that school service area and not throughout the entire cluster then a hybrid test may be beneficial to the affected school while not impeding the development progress of the remainder of the cluster. This would not negatively impact other schools abilities to engage in revitalization and other projects that would otherwise be estopped if the individual school test had implications on the entire cluster.
 - If this is limited to consequences for the individual school service area, then existing capacity in areas of the cluster outside of an overburdened individual school service area could potentially be credited as a potential solution to the individual school issue until a boundary change is approved.
- The Planning Board recommends that placeholder capacity for a particular cluster level or school should only be counted as capacity in the annual school test for two years.
 - Office of Management and Budget has indicated that implementing a hybrid school test in conjunction with this recommendation to cap the placeholder at no more than a two year duration would introduce additional moratorium pressures while restricting the County's ability to address moratorium through placeholder projects.
 - The County Executive does not support restricting placeholder capacity projects to no more than a two year duration. Nor does he support reducing the threshold for moratorium from 120% to 110%. He sees the two restrictions when imposed together as constituting a hard stop to progress in any affected Community without offering viable alternatives to the problem.
- The Board of Education recommends changing current policy so that School Facility Payment revenues may be used to support any capacity project Countywide. School Facility

Payment revenues are currently restricted to capacity projects in the clusters in which the fees are collected.

- The County Executive supports this proposal from the School Board to use School Facility Payment revenues to support any capacity project Countywide so long as there is no legal bar to doing so.

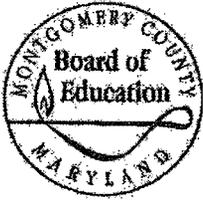
Bill 37-16 (Development Impact Tax- Transportation and Public School Improvements Amendments) is an amendment to current law which governs Development Impact Tax for transportation and public schools which also serves to implement the Planning Board's latest recommendations in the Subdivision Staging Policy.

The comments below should be considered in conjunction with the Fiscal and Economic Impact Statements (FEIS) that were submitted by the Office of Management and Budget and the Department of Finance in advance of this memorandum. These comments raise policy issues that the Executive wished to bring to the Committee's attention that should be considered in conjunction with the economic and fiscal analysis.

School Impact Taxes

- Rates are now based on actual school construction data and changes to student generations rates, resulting in significantly reduced rates for single-family detached homes (almost 30%), slight decrease for single-family attached (2.7%) and increases for multi-family garden and high-rise (22% and 2.9%, respectively).
 - While this allows for increases to multi-family garden and high-rise homes which should address their increased affordability for families as the units age and become more affordable to rent; it does not account for the single family homes that have populations aging out of the school system who then sell to younger families who are then absorbed back into the school system.
- Revenues in the amount equal to 10% of per-student-seat costs are proposed to be restricted for land acquisition of new schools
 - The Executive does not support restricting revenues for land acquisition. He completely agrees with the School Board and believes that flexibility is necessary to support immediate capacity needs. Creating such a restriction would jeopardize revitalization projects and would hold money in a fund that could not be used unless and until enough need and money exists for land acquisition. While there is a need to provide for the acquisition of land for schools, he does not believe that a diversion of revenues is an effective or cost beneficial means of achieving the desired outcome.
- Credit proposed for developers who dedicate land for new schools.
 - The Executive does not support making any changes to the existing authority so that the conditions and circumstances that are currently imposed to determine if a credit will be permitted are still available to decision makers when dedications occur.

- The County Executive also does not support granting credits to developers when a Master or Sector Plan requires the Developer to dedicate property for public facilities such as schools as part of their development approval process. If the Master or Sector Plan does not require the Developer to dedicate at no cost to the County then assuming the dedication is equivalent to or exceeds the amount that the County would acquire through impact taxes there may be no objection to issuing a credit. This is an issue raised by Mr. Orlin in the first work session where he suggested that the current practice is for the County to give credits toward impact taxes when a Developer dedicates property as part of the development approval process.
- Enterprise zones are no longer exempt from paying school I-tax, with the amount of tax phased-in over a 4-year period after the first year after EZ-status expires.
 - The County Executive does not offer a position on this proposal at this time because he needs to collect more data on the consequences associated with this plan. He is concerned that Developers may have relied on these exemptions when they made the determination to build in a particular area, even after the Enterprise Zone status has expired. He is concerned that a reintroduction of the school impact tax will create a 'negative surprise' and will jeopardize the momentum moving forward in those areas.



MONTGOMERY COUNTY BOARD OF EDUCATION

850 Hungerford Drive ♦ Room 123 ♦ Rockville, Maryland 20850



August 31, 2016

The Honorable Nancy Floreen, President
Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Ms. Floreen:

On August 25, 2016, the Montgomery County Board of Education (Board of Education) reviewed the Montgomery County Planning Board's (Planning Board) recommended *FY 2016-2020 Subdivision Staging Policy* as it pertains to public schools. The Board of Education was asked to provide comments to the County Council on the recommended policy by September 1, 2016. This letter is to inform you that the Board of Education generally supports the policy modifications recommended by the Planning Board, with four exceptions. Enclosed is a copy of the resolution adopted by the Board of Education.

The policy recommended by the Planning Board includes the following:

- (1) modified student generation rates used to determine the student yield of residential structures;
- (2) adoption of a new component of the annual school test that determines the adequacy of school facilities where development is proposed;
- (3) biennial updates of the school facility payment and school impact tax calculations;
- (4) modified school facility payment and school impact tax formulae;
- (5) limits on the use of placeholder capacity projects in the annual school test;
- (6) dedication of a portion of the school impact tax revenue to a land acquisition fund for the purchase of school sites;
- (7) allowance of a credit against the school impact tax for land dedicated to schools; and
- (8) reintroduction of the school impact tax and school facility payment in former Enterprise Zones.

Modified Student Generation Rates

The calculation of school facility payments and school impact taxes relies on student generation rates, which indicate the number of students per unit of residential development. The policy recommended by the Planning Board stipulates that these rates be based on the student yield of housing structures built in any year, rather than on the yield of structures built within a specified time frame. This ensures that the average impact of new housing on schools over time is captured, as opposed to just the initial impact. The Board of Education supports the Planning Board recommendation.

Annual School Test

The annual school test has long compared a school cluster's current and planned capacity with its projected enrollment, determining if a school facility payment is required for residential development to proceed in that cluster. The policy recommended by the Planning Board stipulates that the annual school test continue to assess capacity at the cluster level, and in addition, assess capacity at the individual school level using the seat-deficit thresholds that trigger Montgomery County Public Schools (MCPS) capital project planning. This hybrid test prevents the issue of cluster-level school tests "masking" individual school-level space deficits, particularly given widely varying school sizes and school expansion possibilities within clusters. It also brings the annual school test into alignment with the MCPS Capital Improvements Program's implementation processes. The Board of Education supports the addition of school-level testing in the annual school test. However, the Board of Education requests that the County Council consider reducing the current cluster-level test thresholds from 105 percent to 100 percent for triggering school facility payment and from 120 percent to 110 percent for triggering a development moratorium. In order to address continuing overutilization levels at a majority of our schools, the Board of Education feels that additional revenues through the facility payment and policy mechanisms, such as development moratorium, are desperately needed to allow public infrastructure to keep pace with the county growth.

Biennial Updates of School Facility Payment and School Impact Tax

School facility payments and impact taxes should continue to be updated using the latest student generation rates and school construction cost data, as recommended by the Planning Board. The Board of Education supports the Planning Board recommendation for biennial updates of school facility payment and school impact tax calculations with a limit on the changes in payments and taxes to five percent.

Modified School Facility Payment and School Impact Tax Formulae

School impact taxes currently are calculated by applying a multiplier of 0.9 (90 percent) to per-seat school construction costs. The policy recommended by the Planning Board modifies this formula by removing the multiplier, so that the tax represents the full cost of construction of a seat associated with a new residential unit. The Board of Education supports the Planning Board recommendation.

School facility payments are currently calculated by applying a multiplier of 0.6 (60 percent) to the per-seat school construction cost. The policy recommended by the Planning Board modifies this formula so that the multiplier is 0.5 (50 percent). This ensures that development continues to pay no more than 150 percent of the per-seat cost of school construction where school facilities have been deemed inadequate (100 percent of per-seat costs in impact taxes plus 50 percent of per-seat costs in facility payments, instead of the currently required 90 percent of per-seat costs in impact taxes plus 60 percent of per-seat costs in facility payments). The Board of Education supports the Planning Board recommendation.

Placeholder Capital Projects

Placeholder capital projects reserve Capital Improvements Program funding for needed school capacity projects to prevent a cluster falling into a residential development moratorium. The policy

recommended by the Planning Board recognizes the benefit of placeholder projects but restricts their inclusion in the annual school test to two consecutive years of the test. This ensures that if a placeholder project is not replaced with a capital project in MCPS' six-year Capital Improvements Program for two consecutive years, the annual school test reflects the unaddressed capacity deficit. The Board of Education supports the Planning Board recommendation.

Dedication of a Portion of School Impact Tax Revenue to a Land Acquisition Fund for the Purchase of School Sites

The Planning Board has recommended that 10 percent of school impact tax revenue be dedicated to a land acquisition fund for the purchase of school sites. The Board of Education strongly opposes this dedication requirement. While the dedication of impact tax revenue specifically for the purchase of land for school sites is purported to provide MCPS with "additional options for funding potential purchases," it would divert funds from those needed capacity projects that do not require the acquisition of a school site and allow funds to sit idle until they can be applied to a very specific type of capacity project—one that cannot move forward without the purchase of a school site. As MCPS continues to experience unprecedented student enrollment growth, it is imperative that 100 percent of the impact tax revenue is invested in addressing the growth needs. The Board of Education supports a school impact tax that represents the full cost of a seat associated with a new residential unit, but without constraints on the application of that revenue to capacity projects. The MCPS Capital Improvements Program prioritizes projects based on capacity needs regardless of whether the potential purchase of a school site is required. The Board of Education believes developing a funding source for school site acquisition is important, but through another type of impact tax or exceeding the 100 percent level for the school impact tax.

Credit Against the School Impact Tax for Land Dedicated to Schools

Current policy provides a credit against the school impact tax for construction of school facilities. The policy recommended by the Planning Board allows for an additional credit against the school impact tax for land dedicated to schools. The Board of Education supports this stipulation, as an appropriate and timely dedication of land for a school site can be as useful as school impact taxes in providing school facilities.

Reintroduction of the School Impact Tax and School Facility Payment in Former Enterprise Zones

Current policy provides school impact tax and facility payment exemptions within former Enterprise Zones. The policy recommended by the Planning Board reintroduces the school impact tax and school facility payment in former Enterprise Zones. Now that 10 years have passed since the expiration of the Silver Spring CBD's Enterprise Zone designation, there is little rationale for maintaining this exemption. The Board of Education supports the Planning Board recommendation.

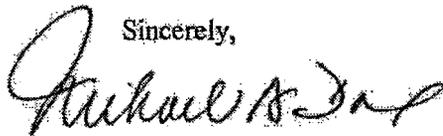
Additional Change

The Board of Education proposed one additional change not addressed by the Planning Board. Current policy requires revenue collected from school facility payments to be used on capital projects within the cluster in which they are collected. Although the policy recommended by the Planning Board

does not address this constraint on revenue, the Board of Education proposes that the updated policy allow for facility payment revenue to be applied to any MCPS capital project that addresses capacity. This policy revision would better enable MCPS to address its highest priority capacity needs wherever they are, thereby facilitating timely implementation of the six-year Capital Improvements Program. This approach will ensure that overutilized schools across the county are relieved in the order in which they have been prioritized. MCPS has been and continues to explore possibilities of alleviating the overcrowded schools by examining the adjacent clusters. Two recent examples include providing relief to Clarksburg and Northwest high schools by building larger capacity at Seneca Valley High School as a part of its revitalization/expansion project, as well as planning for the Col. Zadok Magruder and Thomas S. Wootton clusters to alleviate overutilization in the Gaithersburg Cluster. Both the roundtable discussion in the Walter Johnson Cluster and strategies being considered to provide relief for high schools in the Downcounty Consortium will require a broad countywide perspective. For this reason, the Board of Education proposes allowance of facility payment revenue to be applied to any MCPS capital project that addresses capacity.

I am confident that MCPS, the Planning Board, the county executive, and the County Council will continue to work together to ensure that public infrastructure, particularly our schools, adequately serves our growing community. The Board of Education appreciates the Planning Board's efforts to address the school system's enrollment growth challenges through its recommended *FY 2016-2020 Subdivision Staging Policy*. The Board of Education recognizes these potential changes require thoughtful consideration of how to balance public infrastructure needs and the county's economic growth. For this reason, the Board of Education generally supports the policy modifications recommended by the Planning Board, with the noted exceptions. While the Planning Board recommendations, as well as our suggested comments, are attempts to improve the county's Subdivision Staging Policy, the Board of Education believes more far-reaching measures will be needed to address the current and future needs of this county. The Board of Education looks forward to working with the County Council, as well as the Planning Board and county executive, on this vital policy.

Sincerely,



Michael A. Durso
President

MAD:AMZ:bls

Enclosure

Copy to:

Members of the Montgomery County Council
Members of the Board of Education
Dr. Smith
Dr. Navarro
Dr. Statham
Dr. Johnson

Dr. Zuckerman
Mr. Song
Mr. Ikheola
Members of the Montgomery County
Planning Board

Subdivision Staging Policy – School Issues

Next Steps Reps Subcommittee of the CIP Committee
Montgomery County Council of PTAs

1. Student Generation Rates – *Planning Board (Planning Board Draft, July 21, 2016): Calculate School Facility Payments and the School Impact Tax using student generation rates associated with all residential structures built any year.*

MCCPTA: Our first choice was the current approach: using student generation rates (A) from buildings built within 10 years, for single family homes and (B) from buildings built in any year, for other housing. This reflects the greatest impact each type of new housing will have on schools.

Since the Planning Board opposed that hybrid approach, we supported the approach described above. This approach addresses the impact of new development over the full life of that development. Further, it generates almost as much school impact tax revenue.

2. Hybrid Annual School Test – *Planning Board: Implement a hybrid annual school test that combines cluster utilization tests with individual school capacity deficit tests.*

MCCPTA: We requested a hybrid school test, and wholeheartedly support this approach. Many individual schools have reached dramatic levels of overcrowding (for example, Barnsley ES at 178 percent of capacity), and need the focus and attention that this hybrid test allows.

3. Facility Payment Updates – *Planning Board: Update the calculation of the School Facility Payments on a biennial basis (concurrent with the annual school test or with the update to the Subdivision Staging Policy) using the latest student generation rates and school construction cost data, limiting any change (increase or decrease) to no more than five percent.*

MCCPTA: We favor the use of the latest rates and cost data. We are concerned that the five percent limit might mean that School Facility Payments are not proportionate to costs of a seat under certain circumstances, such as soaring inflation.¹ Cost is cost, and if it rises significantly, the corresponding facility payment cannot be phased in over time without severely limiting the ability to construct new school capacity as needed.

¹ As examples of circumstances that might suddenly raise the cost of a seat by more than 5 percent, please consider: The State mandate regarding the Prevailing Wage Requirement alone increases county bid costs of construction projects by as much as 12% - 14% (*IAC Report to the Board of Public Works – October 28, 2015*). School construction cost estimates will increase by 29% in July 2016 to accommodate changes observed by the Interagency Committee on School Construction. Since 2010, school construction costs have increased by 50% (*Capital Budget Fiscal Briefing, Department of Legislative Services, pp 27-28, February 9, 2016*).

4. Facility Payment Multiplier – *Planning Board: Modify the calculation of the School Facility Payments to apply a 0.5 multiplier instead of the current 0.6 multiplier.*

MCCPTA: We find this change unnecessary. We know that recommendation 7 will raise at least as much funding as this change eliminates, in most clusters.² However, the funding raised by recommendation 7 will be used for (badly needed) land acquisition. Thus, this change will reduce funding for school construction, which we oppose.

If anything, the multiplier for School Facility Payments should be increased because the payments aid areas with badly overcrowded schools and schools directly impacted by new residential development. We suggest a multiplier of 0.75.

5. Placeholder Limits – *Planning Board: Placeholder capacity for a particular cluster level or school can only be counted as capacity in the annual school test for two years.*

MCCPTA: We requested a limit on (or elimination of) placeholders, which disconnect development from its impact on schools, and allow development to proceed well before schools are funded or built. We view this limit as a partial solution.

6. Impact Tax Updates – *Planning Board: Update the School Impact Tax amounts on a biennial basis (concurrent with the annual school test or with the update to the Subdivision Staging Policy) using the latest student generation rates and school construction cost data, limiting any change (increase or decrease) to no more than five percent.*

MCCPTA: We favor the use of the latest rates and cost data. We are concerned that the five percent limit might mean that School Impact Taxes are not proportionate to costs of a seat under certain circumstances, such as soaring inflation. If the cost of a seat rises significantly, the corresponding impact tax cannot be phased in over time without severely limiting the ability to construct new school capacity as needed.

7. Income Tax Multiplier – *Planning Board: Remove the 0.9 multiplier in the School Impact Tax, so as to capture the full cost of school construction associated with a new residential unit.*

MCCPTA: We wholeheartedly support this approach. However, we note that the combined effect of recommendations 4, 7, and 8 will be to reduce school construction funding. At a minimum, the Subdivision Staging Policy must maintain or increase school construction funding. In addition, it must provide payment for land in those particular areas where it is no longer possible to obtain land by dedication – to offset the value of that land. Please note

² In clusters that include municipalities, recommendation 7 may not raise as much funding as this change eliminates.

that a land payment is not an increased contribution by developers – simply a change in the type of resources provided.

Please remember, among the reasons that we need a robust School Impact Tax: Because the School Facility Payment is cluster specific and cannot be collected in municipalities, the School Impact tax must be used to cover that deficit, further diluting the money available to all school clusters.

8. Land Acquisition Fund – *Planning Board: Require a portion of the School Impact Tax equivalent to 10 percent of the cost of a student seat be dedicated to land acquisition for new schools.*

MCCPTA: We requested a mechanism to collect funds for school land acquisition, in order to continue to get land resources in areas where land dedication is now problematic. We are delighted to see this sort of mechanism under consideration.

However, we emphasize that funds should replace land dedication only for plans where land dedication is impracticable. Furthermore, since the cost of land is not related to MCPS's cost of a seat, the amount of funding for land acquisition should be calculated separately. It should be sufficient to replace the cost of the land MCPS has traditionally obtained by dedication. And it should cover the proportionate share of the cost of land for secondary as well as elementary schools.

9. Credit for Land Acquisition – *Planning Board: Allow a credit against the School Impact Tax for land dedicated for a school site, as long as the density calculated for the dedication area is excluded from the density calculation for the site, and MCPS agrees to the site dedication.*

MCCPTA: For decades, the County has obtained school sites through dedications by developers. The County should not end its expectation that a developer will contribute land (or funds toward land), to an extent proportionate to the number of students the development generates.

So, when a developer dedicates land, it should not get a credit for a dedication that has long been expected. However, if the developer dedicates land in addition to its proportional contribution, we support a credit for that additional contribution.

10. Former Enterprise Zones – *Planning Board: Reinroduce the School Impact Tax and School Facility Payments in former Enterprise Zones through a phased approach.*

MCCPTA: We agree. Developers with projects in areas that are not enterprise zones should pay these taxes and payments. The current policy denies facility payments to clusters in former enterprise zones - which are generally lower-income areas that need school resources.

13

Concerning the phased approach, we understand the desire to give notice to developers in areas that are now, or will soon be, former enterprise zones. In the future, developers in former enterprise zones should not need a phaseout, as they would have notice that their exemptions are ending.

11. Future Exemptions – *Planning Board: Conduct further research to develop the criteria and process by which an area of the County can be exempted from the School Impact Tax and School Facility Payments.*

MCCPTA: We agree. This seems to be prudent planning.

14

Subdivision Staging Policy

Results of School Test for FY 2017

Reflects County Council Adopted FY 2017 Capital Budget and the FY 2017-2022 Capital Improvements Program (CIP)
Effective July 1, 2016

School Test Level	Description	Cluster Outcomes by Level		
		Elementary Inadequate	Middle Inadequate	High Inadequate
<u>Clusters over 105% utilization</u> School facility payment required in inadequate clusters to proceed.	5-year test Effective July 1, 2016 Test year 2021-22	Einstein (107.4%) Gaithersburg (112.4%) Northwood (116.0%) Quince Orchard (113.2%)	Gaithersburg (107.5%) Rockville (116.2%) Wheaton (110.7%)	Blair (116.3%) Churchill (113.5%) Einstein (116.9%) Gaithersburg (107.6%) Walter Johnson (113.9%) Kennedy (112.5%) Richard Montgomery (112.2%) Northwood (114.8%) Paint Branch (111.0%) Quince Orchard (110.4%)
<u>Clusters over 120% utilization</u> Moratorium required in clusters that are inadequate.	5-year test Effective July 1, 2016 Test year 2021-22			

Capacities in clusters include the following placeholder capital projects:
 Twenty elementary school classrooms in the Northwest Cluster
 Six high school classrooms in the Einstein Cluster.
 Eight high school classrooms in the Walter Johnson Cluster.
 Ten high school classrooms in the Northwood Cluster.

13

Subdivision Staging Policy FY 2017 School Test: Cluster Utilizations in 2021-2022
 Reflects County Council Adopted FY 2017 Capital Budget and the FY 2017-2022 Capital Improvements Program (CIP)
 Effective July 1, 2016

Elementary School Test: Percent Utilization >105% School Facility Payment and >120% Moratorium

Cluster Area	Projected August 2021 Enrollment	100% MCRS Program Capacity With BOE Requested FY17-22 CIP	Cluster Percent Utilization in 2021-2022 School Year	School Test Result Capacity is:	Cluster is?
Bethesda-Chevy Chase	3,565	3,864	92.3%	Adequate	Open
Montgomery Blair	4,701	4,783	98.3%	Adequate	Open
James Hubert Blake	2,573	2,554	100.7%	Adequate	Open
Winston Churchill	2,492	2,913	85.5%	Adequate	Open
Clarksburg	4,279	4,522	94.6%	Adequate	Open
Damascus	2,099	2,272	92.4%	Adequate	Open
Albert Einstein	3,957	2,847	107.4%	Inadequate	School Payment
Gaithersburg	4,685	4,170	112.4%	Inadequate	School Payment
Walter Johnson	4,513	4,631	97.5%	Adequate	Open
John F. Kennedy	3,086	3,199	96.5%	Adequate	Open
Col. Zadok Magruder	2,609	2,843	91.8%	Adequate	Open
Richard Montgomery	2,750	2,884	95.4%	Adequate	Open
Northwest*	4,069	4,194	97.0%	Adequate	Open
Northwood	3,687	3,178	116.0%	Inadequate	School Payment
Paint Branch	2,570	2,503	102.7%	Adequate	Open
Poolesville	506	758	66.8%	Adequate	Open
Quince Orchard	3,148	2,781	113.2%	Inadequate	School Payment
Rockville	2,580	2,636	97.9%	Adequate	Open
Seneca Valley	2,537	2,425	104.6%	Adequate	Open
Sherwood	1,908	2,394	79.7%	Adequate	Open
Springbrook	3,409	3,332	102.3%	Adequate	Open
Watkins Mill	2,764	2,858	96.7%	Adequate	Open
Wheaton	3,150	3,454	91.2%	Adequate	Open
Walt Whitman	2,409	2,571	93.7%	Adequate	Open
Thomas S. Wootton	2,551	3,205	79.6%	Adequate	Open

*Northwest Cluster elementary school capacity includes 20 classrooms of capacity for a solution to space deficits in the cluster.

Subdivision Staging Policy FY 2017 School Test: Cluster Utilizations in 2021-2022
 Reflects County Council Adopted FY 2017 Capital Budget and the FY 2017-2022 Capital Improvements Program (CIP)
 Effective July 1, 2016

Middle School Test: Percent Utilization >105% School Facility Payment and >120% Moratorium

Cluster Area	Projected August 2021 Enrollment	100% MCRS Program Capacity With BOE Requested FY17-22 CIP	Cluster Percent Utilization in 2021-2022 School Year	School Test Result Capacity is:	Cluster is?
Bethesda-Chevy Chase	1,774	2,027	87.5%	Adequate	Open
Montgomery Blair	2,878	2,913	98.8%	Adequate	Open
James Hubert Blake	1,275	1,345	94.8%	Adequate	Open
Winston Churchill	1,426	1,698	84.1%	Adequate	Open
Clarksburg	2,117	2,171	97.5%	Adequate	Open
Damascus	923	982	94.0%	Adequate	Open
Albert Einstein	1,278	1,420	90.0%	Adequate	Open
Gaithersburg	2,041	1,898	107.5%	Inadequate	School Payment
Walter Johnson	2,313	2,429	95.2%	Adequate	Open
John F. Kennedy	1,724	1,698	101.5%	Adequate	Open
Col. Zadok Magruder	1,180	1,616	73.0%	Adequate	Open
Richard Montgomery	1,392	1,445	96.3%	Adequate	Open
Northwest	2,145	2,235	96.0%	Adequate	Open
Northwood	1,813	1,830	99.1%	Adequate	Open
Paint Branch	1,380	1,401	98.5%	Adequate	Open
Poolesville	307	468	65.6%	Adequate	Open
Quince Orchard	1,442	1,646	87.6%	Adequate	Open
Rockville	1,106	952	116.2%	Inadequate	School Payment
Seneca Valley	1,252	1,397	89.6%	Adequate	Open
Sherwood	1,132	1,429	79.2%	Adequate	Open
Springbrook	1,276	1,250	102.1%	Adequate	Open
Watkins Mill	1,285	1,355	94.8%	Adequate	Open
Wheaton	1,623	1,466	110.7%	Inadequate	School Payment
Walt Whitman	1,511	1,502	100.6%	Adequate	Open
Thomas S. Wootton	1,348	1,641	82.1%	Adequate	Open

Subdivision Staging Policy FY 2017 School Test: Cluster Utilizations in 2021-2022
 Reflects County Council Adopted FY 2017 Capital Budget and the FY 2017-2022 Capital Improvements Program (CIP)
 Effective July 1, 2016

High School Test: Percent Utilization >105% School Facility Payment and >120% Moratorium

Cluster Area	Projected August 2021 Enrollment	100% MCPS Program Capacity With BOE Requested FY17-22 CIP	Cluster Percent Utilization in 2021-2022 School Year	School Test Result Capacity is:	Cluster is?
Bethesda-Chevy Chase	2,434	2,407	101.1%	Adequate	Open
Montgomery Blair	3,396	2,920	116.3%	Inadequate	School Payment
James Hubert Blake	1,806	1,734	104.2%	Adequate	Open
Winston Churchill	2,254	1,986	113.5%	Inadequate	School Payment
Clarksburg*	1,997	2,025	98.6%	Adequate	Open
Damascus	1,390	1,551	89.6%	Adequate	Open
Albert Einstein**	2,033	1,739	116.9%	Inadequate	School Payment
Gaithersburg	2,591	2,407	107.6%	Inadequate	School Payment
Walter Johnson ***	2,865	2,515	113.9%	Inadequate	School Payment
John F. Kennedy	2,962	1,833	112.5%	Inadequate	School Payment
Col. Zadok Magruder	1,622	1,941	83.6%	Adequate	Open
Richard Montgomery	2,568	2,236	112.2%	Inadequate	School Payment
Northwest*	2,210	2,241	98.6%	Adequate	Open
Northwood****	2,002	1,744	114.8%	Inadequate	School Payment
Paint Branch	2,248	2,025	111.0%	Inadequate	School Payment
Poolesville	1,195	1,170	102.1%	Adequate	Open
Quince Orchard	2,050	1,857	110.4%	Inadequate	School Payment
Rockville	1,596	1,570	101.7%	Adequate	Open
Seneca Valley*	2,363	2,400	98.5%	Adequate	Open
Shenwood	1,915	2,166	88.4%	Adequate	Open
Springbrook	1,991	2,162	92.1%	Adequate	Open
Watkins Mill	1,845	1,942	95.0%	Adequate	Open
Wheaton	1,839	2,239	82.1%	Adequate	Open
Wall Whitman	2,231	2,398	93.0%	Adequate	Open
Wootton	2,237	2,420	92.4%	Adequate	Open

* Enrollments for Clarksburg, Northwest and Seneca Valley high schools are estimated to reflect future reassignments to Seneca Valley HS

** Einstein High School Capacity includes a 6 classroom addition in a placeholder project

*** Walter Johnson High School Capacity includes an 8 classroom addition in a placeholder project

**** Northwood High School Capacity includes a 10 classroom addition in a placeholder project



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5

WRITTEN TESTIMONY OF JENNIFER RUSSEL
THE GREATER BETHESDA CHAMBER OF COMMERCE
BEFORE THE MONTGOMERY COUNTY COUNCIL
REGARDING THE 2016 SUBDIVISION STAGING POLICY
SEPTEMBER 13, 2016

Good evening. I am Jennifer Russel, Vice President of Economic Development and Government Affairs for The Greater Bethesda Chamber of Commerce, which represents over 600 member businesses and nonprofit organizations in Montgomery County.

I am here to weigh in on the tremendously important 2016 Subdivision Staging Policy (SSP) which will impact the face of Montgomery County over the next four years and beyond. This planning tool, which emanates from the beleaguered era of 1980s growth policies, is highly focused on transportation and to a slightly lesser extent schools, arenas in which infrastructure funding has suffered seriously in recent years. However, it is important to understand that the growth rate in the County is presently at 1% and is projected to slow. The original adequate public facilities tools were instituted during a time when growth was quite rampant. I ask you - why are we still holding on to a "black box" mentality, utilizing complex tests to regulate growth that is not really happening, when simpler approaches might be best?

The County has just paved the way for great economic development successes by providing public funds to establish a private corporation, the Montgomery County Economic Development Corporation (MCEDC), which hired a new CEO to implement an as-of-yet un-adopted County Comprehensive Economic Strategy. How does an SSP steeped in the annals of 1980s growth relate to this Economic Development Strategy? No one seems to know because they were developed on parallel paths without any connection? What message does this send to the business and corporate communities who are evaluating the possibility of moving their enterprises to Montgomery County? It is a not a clear and transparent picture at all.

Certain aspects of the new transportation test are laudable, such as the organization of the County into individualized transportation policy areas which have distinct characteristics and thereby require different types and levels of testing. Recognition that the Red policy areas (well served by transit) and the Green policy areas (where no transit exists) need not be subject to the transit accessibility tests makes sense, remembering of course, that all development remains subject to the transportation and schools tax. However, in general the effort to introduce a transit accessibility test as the major barometer is very complex, neglects roads to a certain extent, and makes potentially unrealistic assumptions with respect to the CIP and roads that will ultimately be available.

It is refreshing to see that in many instances impact taxes are proposed to decline, particularly in areas where land use policy encourages development. However, the methodology is intensely detailed and cryptic. Indeed, the impact tax formula required the Planning Board itself to artificially lower the rate for commercial development in the Core area by one-third. It is simply not a process that anyone can describe or explain to the public or to the investment community and financial institutions who hold our economic development future in their hands.

(18)



THE GREATER BETHESDA
CHAMBER *of* COMMERCE

Smart Business, Bright Future

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We hope you take a step forward with this new SSP and march towards a clear, crisp and concise approach that **you** can explain to everyone.

19

Citizens Coordinating Committee on Friendship Heights

September 16, 2016

Nancy Floreen, President
Montgomery County Council
100 Maryland Avenue, 6th Floor
Rockville, MD 20850

Re: Subdivision Staging Policy: School Component

Dear Council President Floreen:

The Citizens Coordinating Committee on Friendship Heights (CCCFH) submits these comments on the 2016 Subdivision Staging Policy. We appreciate the opportunity to comment.

In general, we oppose the Subdivision Staging Policy (SSP) approach to the issue of new facility construction for the County schools in conjunction with the construction of new housing. Our concerns are as follows:

Student Generation Rate: the most recent 10 year period utilized for the database for projecting the student generation rate is unacceptable. The timeframe is far too short, with the "great recession" having far too great an effect on the database. The student generation rates for multifamily housing are so low in comparison to student generation rates previously used that the results are highly suspect. The existing student generation rates must be kept.

School Facility Payments & School Impact Taxes: the net effect of the proposed student generation rates is a significant reduction in the School Facility Payments and School Impact Taxes paid in conjunction with construction of multifamily housing. Simultaneously a significant general tax increase has been enacted within the county which was partially justified by the needs of the school system, including construction. This makes no sense.

Moratorium: currently the Cluster Utilization Test triggers a moratorium across the entire cluster's service area if any one level (elementary, middle, high) of school reaches 120% utilization projected in the sixth year of the Capital Improvement Program. The threshold of 120% is far too high. Any school operating at that level will have become thoroughly dysfunctional. That threshold must be reduced to 110% which concurs with the School Board's position taken on this matter during their recent review.

Representing the Citizens Associations of Brookdale, Chevy Chase Village, Chevy Chase West, Drummond, Green Acres-Glen Cove, Kenwood, Kenwood Condominium, Kenwood House Cooperative, Kenwood Place Condominium, Somerset, Springfield, Sumner, Sumner Square Condominium, Sumner Village Condominium, Westmoreland, Westbard Mews, Westwood Mews, and Wood Acres

We find the following SSP recommendations to be commendable:

Hybrid Annual School Test: the SSP states... *"The current cluster level tests conducted through the SSP mask the problems that exist at individual schools. This situation is particularly true at the elementary school level where a cluster could have an individual school that is grossly over enrolled, but five or six other elementary schools with adequate capacity."* As a result the SSP recommends: *"The implementation of a hybrid annual school test combines cluster utilization tests with individual school capacity deficit tests."*

Placeholder Projects: from the SSP... *"... concern is that the placeholder project undermines the intent of the Subdivision Staging Policy, which is to ensure that adequate public facilities exist prior to approving new development."* As a result the SSP recommends: *"placeholder capacity for a particular cluster level or school can only be counted as capacity in the annual school test for two years."*

* * * * *

Again, we are most appreciative of the opportunity to bring our concerns to your attention.

Sincerely,

Harold Pfohl
Corresponding Secretary
Citizens Coordinating Council on Friendship Heights

cc: Councilmembers
Glenn Orlin

School Tests Among Jurisdictions with APFOs

Test Thresholds

Jurisdiction	<u>Moratorium</u> Threshold
<i>LESS THAN 100% UTILIZATION</i>	
Washington County	(ES): 90% Utilization @ State-Rated Capacity (HS): 100% Utilization @ State-Rated Capacity
<i>100% UTILIZATION</i>	
Anne Arundel County	100% Utilization @ State-Rated Capacity
Charles County	100% Utilization @ State-Rated Capacity
Calvert County	100% Utilization @ BOE Program Capacity
Caroline County	100% Utilization @ BOE Program Capacity
Queen Anne's County	100% Utilization @ State-Rated Capacity
<i>110% UTILIZATION</i>	
Harford County	110% Utilization @ State-Rated Capacity
St. Mary's County	(ES): 107% Utilization @ State-Rated Capacity (MS): 109% Utilization @ State-Rated Capacity (HS): 116% Utilization @ State-Rated Capacity
<i>115% UTILIZATION</i>	
Howard County	115% Utilization @ State-Rated Capacity
Baltimore County	115% Utilization
<i>120% UTILIZATION</i>	
Montgomery County	120% Utilization @ BOE Program Capacity
Prince George's County	120% Utilization @ BOE Program Capacity
Carroll County	120% Utilization @ State-Rated Capacity
Frederick County	120% Utilization @ State-Rated Capacity

Jurisdiction	<u>School Payment</u> Threshold
<i>100% UTILIZATION</i>	
Frederick County	100% Utilization @ State-Rated Capacity
Howard County ¹	100% Utilization @ State-Rated Capacity
<i>105% UTILIZATION</i>	
Montgomery County	105% Utilization @ BOE Program Capacity
Prince George's County	105% Utilization @ BOE Program Capacity
<i>110% UTILIZATION</i>	
Carroll County ²	110% Utilization @ State-Rated Capacity

Summary: The threshold for moratorium ranges from 100% utilization to 120%. Some districts that have a higher moratorium threshold have an initial threshold at which school payments are required. However, most districts do not collect school payments based on adequacy tests. Some limit development prior to moratorium (Carroll/Howard Co.).

¹ This is not an initial test threshold for school payment, but rather a threshold for building limits – the planning dept. will only allow up to 300 new units in one year in an elementary school district if the school “region” exceeds 100% capacity. There are no school payments for development based on school overutilization in Howard County.

² This is not an initial test threshold for school payment, but rather a threshold for permit restrictions – development might receive conditional approval.

**Interim Superintendent's Recommendations
For Tri-cluster Roundtable Discussion Group
Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton Clusters**

March 11, 2016

Executive Summary

The Tri-cluster Roundtable Discussion Group focused on ways to address projected overutilization at four Gaithersburg Cluster elementary schools—Gaithersburg, Rosemont, Strawberry Knoll, and Summit Hall. The scope of the Roundtable enabled consideration of facility needs across cluster boundaries. In addition, the scope enabled near-term and long-term facility needs to be considered in a regional context. In developing my recommendations I have benefitted from the *Report of the Tri-cluster Roundtable Discussion Group* and also have considered near-term and long-term enrollment pressures. My recommendations are similar to Roundtable Approach #7 that was supported by most Roundtable members. The following are my recommendations:

- Gaithersburg Elementary School
Construct an addition to Gaithersburg Elementary School and provide two schools (a Grades Pre-K–2 school and a Grades 3–5 school) in one building with physical separations to the extent possible. This will achieve more manageable enrollment sizes in each half of the facility and maintain the school's service area where nearly all students walk to the school.
- Rosemont Elementary School
Monitor enrollment at the school and the pace of residential construction in the portion of the school's service area west of Interstate 270. Future enrollment trends may require an addition and/or boundary changes to be considered. If boundary changes are needed, then possible reassignments within the Gaithersburg Cluster and/or to the Thomas S. Wootton Cluster should be considered.
- Strawberry Knoll Elementary School
Due to the limited degree of overutilization and funding limitations, an addition cannot be recommended at this time. Monitor enrollment at the school to determine if an addition should be constructed in the future.
- Summit Hall Elementary School
Due to the plan to revitalize/expand Summit Hall Elementary School in the near future, a permanent addition prior to full revitalization/expansion is not recommended. I am recommending staff in the Department of Facilities Management explores the replacement of six older relocatable classrooms with newer relocatable classrooms or modular classrooms. In addition, staff will consider the possibility of a partially enclosed connection to the existing building. A decision on how to proceed will be made in fall 2016 for implementation in fall 2017.

- Shady Grove Sector Plan

To address long-range enrollment concerns, I recommend a boundary study be conducted in spring 2017 to reassign the portion of the Shady Grove Sector Plan that is within the Gaithersburg Cluster to Col. Zadok Magruder Cluster schools.

Background

On November 16, 2015, the Board of Education authorized a Tri-cluster Roundtable Discussion Group (Roundtable) process. The charge of the Roundtable was the development of general approaches to relieve Gaithersburg Cluster elementary schools of overutilization and the evaluation of these approaches using criteria established by the Roundtable.

The Board of Education included the Col. Zadok Magruder and Thomas S. Wootton clusters in the Roundtable because they are adjacent to the Gaithersburg Cluster and have available capacity at various school levels, as well as a number of elementary schools that are below the desired minimum enrollment size of 450 students.

Appendix A presents a map of the Tri-cluster area. Appendix B presents projected enrollment for schools in the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton clusters. Appendix C presents the approaches reviewed by the Roundtable.

Review of the Issues and Interim Superintendent's Recommendations

My recommendations primarily address immediate and near-term enrollment concerns that fit within the six-year time frame of the Capital Improvements Program. However, in developing my recommendations, I have taken a long-term view and considered enrollment pressures we are likely to see over the next 20 years in this part of the county.

The tri-cluster area includes two large master planned communities that are just beginning to be built—the Shady Grove Sector Plan with 6,000 housing units planned and the Great Seneca Science Corridor Master Plan with 5,700 housing units planned. These plans overlap all three clusters engaged in the Roundtable. Over the next 20 or more years, it is likely that new elementary schools, a new middle school, and a new high school will be needed as enrollment grows. The school system is fortunate to have a number of future school sites in the area, including an elementary school site in the Great Seneca Science Corridor (GSSC) Master Plan, an elementary school site in the Shady Grove Sector Plan, a middle school site in the King Farm community, and a high school site in the Crown community.

The following is a summary of the input from Roundtable members on ways to address enrollment at the four Gaithersburg Cluster elementary schools that were the focus of the Roundtable. After this review of the input, my recommendations are presented along with the rationale for my recommendations.

Gaithersburg Elementary School – Roundtable Input

Gaithersburg Elementary School enrolls 864 students this year and enrollment is projected to exceed 950 students by the 2021–2022 school year. The current capacity of the school is 771 students. Nearly 90 percent of the 864 students reside within walking distance of the school.

The school provides a number of supports to students and families, including its School-based Health Center, Linkages to Learning, and Parent Resource Center.

During the Roundtable, a strong sentiment was expressed that the current school service area be maintained so that no students are reassigned out of the school. In addition to the educational supports at the school—including Title I and class-size reductions in Grades K–2—the social and health resources are very important to the parents and students. Roundtable representatives from all three clusters supported construction of an addition at Gaithersburg Elementary School and maintenance of the service area. In order to accommodate projected enrollment, an addition that would take the school’s capacity up to 1,000 students would be needed.

Gaithersburg Elementary School—Interim Superintendent’s Recommendation

I am very sympathetic to the concerns of parents of Gaithersburg Elementary School students. Maintaining walking access for students to schools is a standard practice of Montgomery County Public Schools (MCPS) whenever possible. This not only ensures a sense of community around the school, but also reduces transportation costs, and perhaps most importantly in the case of Gaithersburg Elementary School, enables a range of student supports to be provided close to home.

The concern about a large addition at Gaithersburg Elementary School has to do with management of a very large elementary school. However, a preliminary review by staff in the Department of Facilities Management revealed that two schools at the same location may be possible. My recommendation is to create two schools by dedicating one half of the building to accommodate Grades Pre-K–2 students and the other half to accommodate Grades 3–5 students. Each school would enroll approximately 500 students.

Unlike most other MCPS elementary schools, Gaithersburg Elementary School is adjacent to a middle school site where Gaithersburg Middle School is located. The combined acreage of the two school sites is 32 acres. This amount of land presents a unique opportunity to build an addition on Gaithersburg Elementary School and create the two schools without significantly reducing the size of the playfields of the two schools.

In order to expedite my recommendation, a feasibility study would be conducted beginning in July 2016, followed directly by planning and design of the “two schools in one building” concept. On this ambitious schedule, the two schools could begin operation in August 2020, contingent upon approval of the *Board of Education’s Requested FY 2017 Capital Budget and FY 2017–2022 Capital Improvements Program*, which includes \$26 million in funds for a Gaithersburg Cluster elementary school capacity solution.

The feasibility study would include provision of necessary core spaces, including a second administrative office, cafeteria, and other support spaces, along with additional classrooms to accommodate Grades 3–5 school programs. Staff in the Department of Facilities Management will develop educational specifications for each of the schools and identify all spaces necessary to support the two schools.

The feasibility study will develop a construction phasing plan that may require relocation of some students during construction. Options for accommodating students will be shared with the community and the Board of Education in fall 2016.

Rosemont Elementary School—Roundtable Input

Rosemont Elementary School enrolls 588 students this year and enrollment is projected to exceed 850 students by the 2021–2022 school year. The school has a capacity for 613 students. Projected enrollment increases are the result of new housing being built in the portion of the school’s service area west of Interstate 270. New housing developments include Crown and a few multifamily residential projects associated with the GSSC Master Plan. A small portion of the GSSC Master Plan is in the Rosemont Elementary School service area, while most of the residential units planned are in the Stone Mill Elementary School service area.

Most members of the Roundtable from the Thomas S. Wootton Cluster were concerned about the reassignment of the area west of Interstate 270 to Thomas S. Wootton Cluster schools. Although there is capacity available at some elementary schools in the Thomas S. Wootton Cluster, these schools are not adjacent to the Rosemont Elementary School service area. In addition, as the GSSC Master Plan builds out over the next 20 years, Thomas S. Wootton Cluster schools will be absorbing enrollment increases from the plan. During the Roundtable, the greatest concern was expressed over the impact of reassignments on Thomas S. Wootton High School, which is projected to enroll 2,237 students by the 2021–2022 school year. The school is scheduled for revitalization/expansion to a capacity for 2,420 students with an opening date of August 2021.

Rosemont Elementary School—Interim Superintendent’s Recommendation

I appreciate the concerns expressed by the Thomas S. Wootton Cluster about reassigning the area west of Interstate 270 to Thomas S. Wootton Cluster schools. In light of the projected enrollment of Thomas S. Wootton High School, I do not support reassignment of additional students into the cluster. I believe it is prudent to monitor enrollment at Rosemont Elementary School before any capital solutions or reassignments are considered. A great deal of the projected enrollment at Rosemont Elementary School is associated with new residential development. If this development slows down or does not generate the number of students currently anticipated, then projected space deficits at the school may be smaller than currently projected. In addition, reassignments from Rosemont Elementary School to other schools in the Gaithersburg Cluster may be possible in the future, given other elements of my recommendations that will result in additional capacity in the future. (See the Shady Grove Sector Plan recommendation below.)

In the next six years, enrollment at Thomas S. Wootton High School will be very close to the full capacity of its planned revitalization/expansion of 2,400 students. I do not believe it makes sense to address overutilization at one school—Rosemont Elementary School—by creating overutilization at another school—Thomas S. Wootton High School. I also believe we need to think long-term. If we add even more capacity to Thomas S. Wootton High School than the 2,400 planned capacity, then we delay what I consider to be the best long-term facility plan for this part of the county—the opening of a new high school. We are fortunate to have a future high school site in the Crown development. My recommendation avoids any action that would preclude, or delay, the opening of a new high school at some point beyond the six year Capital Improvements Program time frame.

Strawberry Knoll Elementary School—Roundtable Input

Strawberry Knoll Elementary School enrolls 621 students this year and enrollment is projected to stay near the same level for the next six years with 625 students projected for the 2021–2022

school year. The school has a capacity for 481 students. The Roundtable was in favor of constructing an addition at Strawberry Knoll Elementary School. Due to the location of Strawberry Knoll Elementary School, an addition is seen as only addressing the school's projected enrollment and not contributing to relief at other Gaithersburg Cluster elementary schools.

Strawberry Knoll Elementary School—Interim Superintendent's Recommendation

Although enrollment at Strawberry Knoll Elementary School has exceeded the school's capacity for several years, the degree of space deficit is limited, and the six relocatables at the school this year are expected to be sufficient for the foreseeable future. Due to budget limitations, I am unable to recommend an addition at this time. Therefore, I recommend enrollment be monitored and a classroom addition be considered in the future if warranted by the enrollment.

Summit Hall Elementary School—Roundtable Input

Summit Hall Elementary School enrolls 672 students this year and enrollment is projected to remain near the same level of enrollment for the next six years with 657 students projected for the 2021-2022 school year. The school has a capacity for 466 students. Enrollment has exceeded the capacity of the school for several years. Due to the scheduled revitalization/expansion of the school, there has been a reluctance to construct an addition prior to the revitalization/expansion project. The constructability of an addition prior to revitalization/expansion also is a concern due to site conditions. Roundtable members from the Gaithersburg Cluster expressed frustration with the repeated delays in the revitalization/expansion project and favored going ahead with an addition as soon as possible as the revitalization/expansion project could continue to be delayed. Currently the project is scheduled for completion in January 2023.

Summit Hall Elementary School—Interim Superintendent's Recommendation

I appreciate the concerns of Gaithersburg Cluster representatives on the Roundtable and the Summit Hall Elementary School community. The revitalization/expansion of the school has indeed been delayed several times. In addition, it cannot be guaranteed in the current funding climate that the project will remain on its January 2023 completion schedule.

I believe the quality of the revitalization/expansion of Summit Hall Elementary School needs to be optimized, and this cannot be accomplished by constructing a stand-alone addition prior to the revitalization/expansion project. Therefore, I do not recommend a stand-alone addition be built. However, I am cognizant of the issues the school faces with an aging facility and older relocatable classrooms. Therefore, I am recommending staff in the Department of Facilities Management explores the replacement of six older relocatable classrooms with either new units or modular classrooms that can be better sited at the school. In addition, staff will consider the possibility of a partially enclosed connection to the existing building. A decision on how to proceed will be made in fall 2016 for implementation in fall 2017.

Shady Grove Sector Plan—Roundtable Input

The Shady Grove Sector Plan straddles two school service areas—the Washington Grove Elementary School service area in the Gaithersburg Cluster and the Candlewood Elementary School service area in the Col. Zadok Magruder Cluster. Most of the 6,000 housing units in the plan are within the Washington Grove Elementary School service area. The Roundtable

explored reassigning the portion of the plan that is within the Gaithersburg Cluster to Col. Zadok Magruder Cluster schools where capacity is available at the elementary, middle and high school levels. However, Col. Zadok Magruder Cluster Roundtable representatives expressed concern about the impact of a reassignment to Candlewood Elementary School—that is the most adjacent school to the sector plan area. Less concern was expressed about secondary school reassignments because Shady Grove Middle School and Col. Zadok Magruder High School have a considerable amount of available capacity.

Shady Grove Sector Plan—Interim Superintendent’s Recommendation

The proximity of the Shady Grove Sector Plan to Col. Zadok Magruder Cluster schools, where there is available school capacity, makes a strong case for reassignment of the area. Sufficient capacity exists at Shady Grove Middle School and Col. Zadok Magruder High School to absorb full build-out of the sector plan. In regard to Candlewood Elementary School, the recent revitalization expanded the school’s capacity to 498 students and included a master planned addition that can take the school to a capacity for 740 students. Given that projected enrollment at the school remains at approximately 350 students, there is capacity at the school now and additional capacity can be created in the future.

Given the proximity of Col. Zadok Magruder Cluster secondary schools with excess capacity and given the ability to increase capacity at Candlewood Elementary School should reassignments be made to that school, I am recommending a spring 2017 boundary study be conducted to reassign the portion of the Shady Grove Sector Plan that is within the Gaithersburg Cluster service area to Col. Zadok Magruder Cluster schools. Reassignment of this planned housing will alleviate projected overutilization of Washington Grove Elementary School and potentially make capacity available that may help relieve overutilization at other Gaithersburg Cluster elementary schools. In addition, the reassignment provides for a long-range solution to enrollment pressures that will come in the next 20 years.

Summary

My recommendations are quite comparable to Approach #7 that most members of the Tri-cluster Roundtable Discussion Group supported. My recommendations provide the needed near-term solutions to space shortages while setting the stage for area schools to adapt to longer-term enrollment pressures.

DISCUSSION/ACTION

Office of the Superintendent of Schools
 MONTGOMERY COUNTY PUBLIC SCHOOLS
 Rockville, Maryland

April 19, 2016

MEMORANDUM

To: Members of the Board of Education

From: Larry A. Bowers, Interim Superintendent of Schools *Larry A. Bowers*

Subject: Interim Superintendent's Recommendation Concerning the Tri-cluster Roundtable Discussion Group for the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton Clusters

On November 16, 2015, the Board of Education authorized a Tri-cluster Roundtable Discussion Group (Roundtable) process to include representatives of the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton clusters. The purpose of the Roundtable was to explore approaches to address overutilization at Gaithersburg Cluster elementary schools through an evaluation of all three clusters.

WHEREAS, In January 2016, the interim superintendent of schools convened a Tri-cluster Roundtable Discussion Group, including representatives of the Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton clusters, to explore approaches to address overutilization in Gaithersburg Cluster elementary schools; and

WHEREAS, The Tri-cluster Roundtable Discussion Group met from January through February 2016 and submitted a report to the interim superintendent of schools on March 4, 2016, with member evaluations of the seven approaches that had been identified; and

WHEREAS, The interim superintendent of schools reviewed and carefully considered the report of the Tri-cluster Roundtable Discussion Group and feedback from the community at-large and on March 11, 2016, submitted a recommendation to the Board of Education to address overutilization of Gaithersburg Cluster elementary schools; and

WHEREAS; On March 21, 2016, the Board of Education conducted a work session to consider the interim superintendent of school's recommendation for the Tri-cluster Roundtable Discussion Group and adopted an alternative for consideration that would build an addition at Gaithersburg Elementary School and maintain a Pre-K-5 school; and

WHEREAS, The Board of Education conducted a public hearing on April 12, 2016, in accordance with Board of Education Policy FAA, *Long-range Educational Facilities Planning*, and Montgomery County Public Schools Regulation FAA-RA, *Long-range Educational Facilities Planning*, on the interim superintendent of school's recommendation; now therefore be it

Resolved, That a feasibility study for an addition at Gaithersburg Elementary School be conducted beginning in July 2016 to include an option to construct an addition for a Pre-K-5 school, and an option to construct an addition and create two schools in one adjoining building—Grades Pre-K-2 in one part of the facility, and Grades 3-5 in the other part of the facility—with physical separation where possible; and be it further

Resolved, That the Gaithersburg Elementary School addition be completed in August 2020; and be it further

Resolved, The six older relocatable classrooms at Summit Hall Elementary School be evaluated for replacement with newer relocatable classrooms, or modular classrooms, by fall 2017; and be it further

Resolved, That the portion of the Shady Grove Sector Plan that is located east of Interstate 370 and in the Washington Grove Elementary School, Forest Oak Middle School, and Gaithersburg High School service areas be reassigned to Col. Zadok Magruder Cluster schools with a boundary study to be conducted in spring 2017, Board of Education action in fall 2017, and reassignments beginning fall 2018.

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GAITHERSBURG CLUSTER

facility options in the Gaithersburg Cluster. Three adjacent clusters participated in the Roundtable—Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton. The Board of Education action to address the enrollment growth in the Gaithersburg Cluster elementary schools is available at the following link: http://gis.mcpsmd.org/roundtablepdfs/TriCluster_GreenSheetAction041916.pdf

Laytonsville Elementary School

Planning Study: A comprehensive capacity study was conducted during the 2014–2015 school year for the Gaithersburg Cluster to address enrollment growth in this area. Because of the challenges of enrollment growth, and absorption of large new residential developments, a tricluster roundtable discussion group convened in spring 2016, to take a broader look at school enrollments, utilization levels and facility options in the Gaithersburg Cluster. Three adjacent clusters participated in the Roundtable—Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton. The Board of Education action to address the enrollment growth in the Gaithersburg Cluster elementary schools is available at the following link: http://gis.mcpsmd.org/roundtablepdfs/TriCluster_GreenSheetAction041916.pdf

Rosemont Elementary School

Planning Study: A comprehensive capacity study was conducted during the 2014–2015 school year for the Gaithersburg Cluster to address enrollment growth in this area. Because of the challenges of enrollment growth, and absorption of large new residential developments, a tricluster roundtable discussion group convened in spring 2016, to take a broader look at school enrollments, utilization levels and facility options in the Gaithersburg Cluster. Three adjacent clusters participated in the Roundtable—Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton. The Board of Education action to address the enrollment growth in the Gaithersburg Cluster elementary schools is available at the following link: http://gis.mcpsmd.org/roundtablepdfs/TriCluster_GreenSheetAction041916.pdf

Strawberry Knoll Elementary School

Planning Study: A comprehensive capacity study was conducted during the 2014–2015 school year for the Gaithersburg Cluster to address enrollment growth in this area. Because of the challenges of enrollment growth, and absorption of large new residential developments, a tricluster roundtable discussion group convened in spring 2016, to take a broader look at school enrollments, utilization levels and facility options in the Gaithersburg Cluster. Three adjacent clusters participated in the Roundtable—Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton. The Board of Education action to address the enrollment growth in the Gaithersburg Cluster elementary schools is available at the following link: http://gis.mcpsmd.org/roundtablepdfs/TriCluster_GreenSheetAction041916.pdf

Summit Hall Elementary School

Planning Study: A comprehensive capacity study was conducted during the 2014–2015 school year for the Gaithersburg Cluster to address enrollment growth in this area. Because of the challenges of enrollment growth, and absorption of large new residential developments, a tricluster roundtable discussion group convened in spring 2016, to take a broader look at school enrollments, utilization levels and facility options in the Gaithersburg Cluster. Three adjacent clusters participated in the Roundtable—Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton. The Board of Education action to address the enrollment growth in the Gaithersburg Cluster elementary schools is available at the following link: http://gis.mcpsmd.org/roundtablepdfs/TriCluster_GreenSheetAction041916.pdf

Capital Project: The Board of Education action directed staff to evaluate the older relocatable classrooms at Summit Hall Elementary School for replacement with newer relocatable classrooms, or modular classrooms, by fall 2017.

Capital Project: The Board of Education requested funds to complete a revitalization/expansion project for this school with a completion date of January 2023. However, the approved FY 2017–2022 CIP reflects a one year delay beginning with elementary school revitalization/expansion projects that have planning funds in FY 2018 and beyond. Therefore, the approved completion date for this project is January 2024. However, based on the Montgomery County Council Office of Legislative Oversight (OLO) study released in July 2015 regarding the revitalization/expansion program and the Facility Assessment with Criteria and Testing (FACT) methodology used to rank the schools, and the work of the FACT Review Committee this school will be reassessed using the revised FACT methodology. Pending the outcome of the reassessment, the queue for the revitalization/expansion projects may change. (For more information see Appendix F.)

An FY 2017 appropriation is approved for facility planning for a feasibility study to determine the scope and cost of the project. In order for this project to be completed on this schedule, the outcome of the FACT reassessment must maintain this project on the present queue position and county and state funding must be provided at the levels approved in this CIP.

Washington Grove Elementary School

Planning Study: A comprehensive capacity study was conducted during the 2014–2015 school year for the Gaithersburg Cluster to address enrollment growth in this area. Because of the challenges of enrollment growth, and absorption of large new residential developments, a tricluster roundtable discussion group convened in spring 2016, to take a broader look at school enrollments, utilization levels and facility options in the Gaithersburg Cluster. Three adjacent clusters participated in the Roundtable—Gaithersburg, Col. Zadok Magruder, and Thomas S. Wootton. The Board of Education action to address the enrollment growth in the

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for

Wheaton Woods elementary schools. Previous enrollment projections indicated that several schools in the midsection of the Downcounty Consortium would be overutilized by the end of the six-year planning period. These schools included Arcola, Glen Haven, Harmony Hills, Highland, Kemp Mill, and Sargent Shriver elementary schools. Based on the outcome of the study, an FY 2016 appropriation for planning funds was approved to begin the architectural design for five classroom addition projects at Brookhaven, Glen Haven, Highland, Kemp Mill, and Sargent Shriver elementary schools.

In the spring 2015, the ratios used to calculate the program capacities for class-size reduction schools were revised in MCPS regulation FAA-RA Long-range Educational Facilities Planning. The ratios went from 15:1 for kindergarten classrooms and 17:1 for Grades 1-2 classrooms to 18:1 for Grades K-2 classrooms. This change raised all of the capacities of class-size reduction schools, which included all of the schools in this capacity study. Furthermore, the threshold used for consideration of an elementary school classroom addition project is a space deficit of 92 seats or more at the end of the six-year planning period. Although addition projects were previously approved to relieve projected enrollment, based on revised capacity calculations and enrollment projections, the space deficits at Arcola, Glen Haven, Harmony Hills, Highland, and Sargent Shriver elementary schools are less than the 92 seat necessary for consideration of classroom additions. Although the space deficit for Kemp Mill Elementary School is greater than 92 seats, it is less than the 125 seat deficit identified for funding of a classroom addition in this CIP. Therefore, based on the revised capacities and projected enrollment, the addition projects at Brookhaven, Glen Haven, Highland, Kemp Mill, and Sargent Shriver elementary schools were removed from the Approved FY 2017-2022 CIP. Enrollment will be monitored at these schools to determine if addition projects can be included in a future CIP.

Highland Elementary School

Capital Project: A comprehensive capacity study was conducted during the 2012-2013 school year to address overutilization at several elementary schools in the midsection of the Downcounty Consortium. The following schools were included in the scope of the study: Arcola, Brookhaven, Forest Knolls, Georgian Forest, Glen Haven, Glenallan, Harmony Hills, Highland, Kemp Mill, Sargent Shriver, Weller Road, and Wheaton Woods elementary schools. Previous enrollment projections indicated that several schools in the midsection of the Downcounty Consortium would be overutilized by the end of the six-year planning period. These schools included Arcola, Glen Haven, Harmony Hills, Highland, Kemp Mill, and Sargent Shriver elementary schools. Based on the outcome of the study, an FY 2016 appropriation for planning funds was approved to begin the architectural design for five classroom addition projects at Brookhaven, Glen Haven, Highland, Kemp Mill, and Sargent Shriver elementary schools.

In the spring 2015, the ratios used to calculate the program capacities for class-size reduction schools were revised in MCPS regulation FAA-RA Long-range Educational Facilities Planning. The ratios went from 15:1 for kindergarten classrooms and 17:1 for Grades 1-2 classrooms to 18:1 for Grades K-2 classrooms. This change raised all of the capacities of class-size reduction schools, which included all of the schools in this capacity study. Furthermore, the threshold used for consideration of an elementary school classroom addition project is a space deficit of 92 seats or more at the end of the six-year planning period. Although addition projects were previously approved to relieve projected enrollment, based on revised capacity calculations and enrollment projections, the space deficits at Arcola, Glen Haven, Harmony Hills, Highland, and Sargent Shriver elementary schools are less than the 92 seat necessary for consideration of classroom additions. Although the space deficit for Kemp Mill Elementary School is greater than 92 seats, it is less than the 125 seat deficit identified for funding of a classroom addition in this CIP. Therefore, based on the revised capacities and projected enrollment, the addition projects at Brookhaven, Glen Haven, Highland, Kemp Mill, and Sargent Shriver elementary schools were removed from the Approved FY 2017-2022 CIP. Enrollment will be monitored at these schools to determine if addition projects can be included in a future CIP.

Highland View Elementary School

Planning Study: A comprehensive capacity study to address overutilization at several elementary schools in the lower section of the Downcounty Consortium was conducted during the 2014-2015 school year. This capacity study included the following schools: East Silver Spring, Forest Knolls, Highland View, Montgomery Knolls, New Hampshire Estates, Oak View, Takoma Park, Pine Crest, Piney Branch, Rolling Terrace, Sligo Creek, and Woodlin elementary schools. Although revised enrollment projections indicate that enrollment at Highland Elementary School will exceed capacity by 112 seats by the end of the six-year planning period, due to fiscal constraints in the county a space deficit of 125 seats was identified to fund an elementary school addition project in this CIP. Therefore, no funds were recommended in this CIP for a classroom addition. A date for the addition will be considered in a future CIP. Relocatable classrooms will be utilized to accommodate the enrollment. The interim superintendent's recommendation to address overutilization at schools in this part of the Downcounty Consortium can be found at the following link: http://gis.mcpsmd.org/cipmasterpdfs/Supp_B_DCCESOverutilization.pdf

Kemp Mill Elementary School

Capital Project: A comprehensive capacity study was conducted during the 2012-2013 school year to address overutilization at several elementary schools in the midsection of the Downcounty Consortium. The following schools were included in the scope of the study: Arcola, Brookhaven, Forest

CLUSTER PLANNING ISSUES

Planning Issues: The 2009 adopted Germantown Employment Area Sector Plan provides for up to 10,200 mostly multi-family residential units. The majority of planned residential development is located in the Seneca Valley Cluster. The plan requires some redevelopment of shopping centers and some other commercial uses. In addition, the plan anticipates construction of the Corridor Cities Transitway to support the higher housing densities. It is anticipated that the plan will take 20 to 30 years to build-out. The pace of construction will be market driven. A future elementary school site is included in the plan.

SCHOOLS

Seneca Valley High School

Capital Project: A revitalization/expansion project is scheduled for this school with a completion date of August 2019. An FY 2014 appropriation was approved for planning funds to begin the architectural design for the project. In order for this project to be completed on schedule, county and state funding must be provided at the levels approved in this CIP.

Planning Issue: Although a classroom addition opened in August 2015 to accommodate the overutilization at Clarksburg High School, student enrollment will continue to exceed capacity by over 500 students by the end of the six-year CIP planning period. Enrollment also is projected to exceed capacity at Northwest High School by nearly 400 students. The Seneca Valley High School service area is adjacent to the Clarksburg and Northwest high school service areas. A revitalization/expansion project of Seneca Valley High School, scheduled for completion in August 2019, will be designed and constructed with a capacity for 2400 students. The enrollment at Seneca Valley High School is projected to be 1392 students by the end of the six-year planning period. With a capacity of 2400 seats, there will be approximately 1000 seats available to accommodate students from Clarksburg and Northwest high schools when the project is complete.

Lake Seneca Elementary School

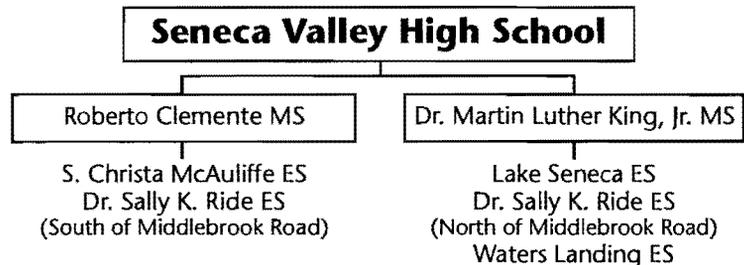
Capital Project: Because projections indicated enrollment at Lake Seneca Elementary School would exceed capacity by 92 seats or more by the end of the six-year period, an FY 2014 appropriation was approved for facility planning to determine the feasibility, scope, and cost for a classroom addition. Although revised enrollment projections indicate that enrollment at Lake Seneca Elementary School will exceed capacity by 113 seats by the end of the six-year

planning period, due to fiscal constraints in the county, a space deficit of 125 seats was identified to fund an elementary school addition project in this CIP. Therefore, no funds were recommended in this CIP for a classroom addition. A date for the addition will be considered in a future CIP. Relocatable classrooms will be utilized to accommodate the enrollment.

S. Christa McAuliffe Elementary School

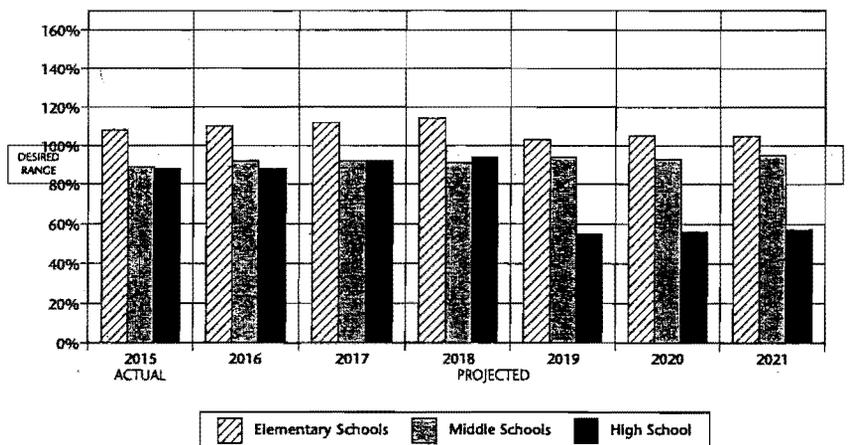
Capital Project: Projections indicate enrollment at S. Christa McAuliffe Elementary School will exceed capacity by 92 seats or more by the end of the six-year planning period. A classroom addition is scheduled for this school with a completion date of August 2019. An FY 2017 appropriation is approved for planning funds to begin the architectural design for a classroom addition. Relocatable classrooms will be utilized until additional capacity can be added. In order for this project to be completed on schedule, county and state funding must be provided at the levels approved in this CIP.

Seneca Valley Cluster Articulation*



- * "Cluster" is defined as the collection of elementary schools that articulate to the same high school.
- * Clopper Mill, Germantown, and a portion of Great Seneca Creek elementary schools also articulate to Roberto Clemente Middle School, but thereafter articulate to Northwest High School.

Seneca Valley Cluster School Utilizations



Note: Percent utilization calculated as total enrollment of schools divided by total capacity. Projected capacity factors in capital projects.

QUINCE ORCHARD CLUSTER

Fields Road Elementary School

Capital Project: Previous projections indicated that enrollment at Fields Road Elementary School would exceed capacity by 92 seats or more by the end of the six-year planning period. Therefore, an FY 2015 appropriation was completed for facility planning to determine the feasibility, scope, and cost for a classroom addition. With the revised capacity calculation for class-size reduction schools, the enrollment projections will not exceed 92 seats or more by the end of the current six-year period. A date for the addition will be considered in a future CIP if the enrollment of the school exceeds the capacity by more than 92 seats. Relocatable classrooms will be utilized until additional capacity can be added.

Planning Issue: Projections indicate that enrollment at Rachel Carson Elementary School will exceed capacity by 92 seats or more by the end of the six-year planning period. To address the high enrollment at Rachel Carson Elementary School the Board of Education approved the following studies to explore additional capacity to address the overutilization at Rachel Carson Elementary School:

- The feasibility study that was conducted in 2007 for an addition at Jones Lane Elementary School to relieve Carson Elementary School be updated to determine if a larger addition could be constructed at Jones Lane Elementary School;
- The feasibility study that is planned for the revitalization/expansion project at DuFief Elementary School during the 2014–2015 school year include the possibility of additional capacity;
- The feasibility study that is planned for an addition at Fields Road Elementary School include the possibility of additional capacity; and
- The consideration of a new elementary school in the Quince Orchard Cluster be included in the analysis of options to relieve Rachel Carson Elementary School.

The Board of Education approved the expansion of DuFief Elementary School to accommodate the overutilization of Rachel Carson Elementary School. The Board of Education action can be found at the following link: http://gis.mcpsmd.org/cipmasterpdfs/CIP17_AdoptedRachelCarsonESOverutilization.pdf

Jones Lane Elementary School

Planning Issue: Projections indicate that enrollment at Rachel Carson Elementary School will exceed capacity by 92 seats or more by the end of the six-year planning period. To address the high enrollment at Rachel Carson Elementary School the Board of Education approved the following studies to explore additional capacity to address the overutilization at Rachel Carson Elementary School:

- The feasibility study that was conducted in 2007 for an addition at Jones Lane Elementary School to relieve Carson Elementary School be updated to determine if a larger addition could be constructed at Jones Lane Elementary School;

- The feasibility study that is planned for the revitalization/expansion project at DuFief Elementary School during the 2014–2015 school year include the possibility of additional capacity;
- The feasibility study that is planned for an addition at Fields Road Elementary School include the possibility of additional capacity; and
- The consideration of a new elementary school in the Quince Orchard Cluster be included in the analysis of options to relieve Rachel Carson Elementary School.

The Board of Education superintendent approved the expansion of DuFief Elementary School to accommodate the overutilization of Rachel Carson Elementary School. The Board of Education action can be found at the following link: http://gis.mcpsmd.org/cipmasterpdfs/CIP17_AdoptedRachelCarsonESOverutilization.pdf

Thurgood Marshall Elementary School

Capital Project: Projections indicate that Thurgood Marshall Elementary School will exceed capacity by 92 seats or more by the end of the six-year planning period. A feasibility study was conducted in FY 2008 to determine the feasibility, cost, and scope of an addition to Thurgood Marshall Elementary School. Although revised enrollment projections indicate that enrollment at Thurgood Marshall Elementary School will exceed capacity by 118 seats by the end of the six-year planning period, due to fiscal constraints in the county, a space deficit of 125 seats was identified to fund an elementary school addition project in this CIP. Therefore, no funds were recommended in this CIP for a classroom addition. A date for the addition will be considered in a future CIP. Relocatable classrooms will be utilized to accommodate the enrollment.

CAPITAL PROJECTS

School	Project	Project Status*	Date of Completion
Brown Station ES	Revitalization/expansion	Approved	Aug. 2017
Fields Road ES	Classroom addition	Deferred	TBD
Thurgood Marshall ES	Classroom addition	Deferred	TBD

*Approved"—Project has an FY 2016 appropriation approved in the Amended FY 2015–2020 CIP or FY 2017 appropriation approved in the FY 2017 Capital Budget.

*Deferred"—Funds have been deferred for a future CIP.

*Programmed"—Project has expenditures programmed in a future year of the CIP for planning and/or construction funds.

*Proposed"—Project has facility planning funds recommended for FY 2017 for a feasibility study.