

Attachment G

SCHOOL CAPACITY ANALYSIS

This document describes the process and guidelines used to determine school capacity and calculate development impacts. Under the 2024-2028 *Growth and Infrastructure Policy* (“GIP”), the Planning Board reviews and certifies the results of an Annual School Test each year, no later than July 1, to establish the adequacy status of all of the County’s public schools. The Annual School Test is based on MCPS’ projections and the MCPS Educational Facilities Master Plan and Capital Improvements Program (CIP). The Annual School Test Guidelines¹ explain in detail the procedures, methodologies, and standards used for the Annual School Test and school adequacy analysis.

The Montgomery County Council, several years ago by adoption of the 2020-2024 GIP (and continuing in the 2024-2028 GIP), recognized that stopping development, or building moratoriums, in certain areas because of school impacts was not actually addressing capacity or funding issues because most of the student generation was coming from resident turnover in existing single-family areas not new development. Accordingly, the County instead requires that development applications in overutilized school service areas, as identified in the Annual School Test, be charged a Utilization Premium Payment (UPP) in addition to development impact taxes to supplement funding for school capacity projects. Therefore, the public-school adequacy for a new development project is established by looking at the Annual School Test,² to determine capacity of the school, calculating the generation rates of the development, and applying the appropriate UPP and development impact tax before issuance of a building permit.

School adequacy for the proposed development will be evaluated again at the time of Preliminary Plan, based upon the Annual School Test projections and adequacy ceilings at that time. In addition, at Preliminary Plan, the appropriate level of mitigation in the form of Utilization Premium Payments (UPP) will be assessed as necessary.

¹ Version 2.0 Annual School Test Guidelines: https://montgomeryplanningboard.org/wp-content/uploads/2024/12/PB.Item7_12.19.2024_AttachmentB_ASTGuidelines2.0.pdf

² FY2026 School Test: https://montgomeryplanning.org/wp-content/uploads/2025/06/PB.Item9_06.26.2025_AttachmentA_FY26AST.pdf