

# Chapter 2

## The Planning Environment

Facility plans are developed in a very dynamic planning environment. The major driver for these plans, since the mid-1980s, has been enrollment increases totaling over 50,000 students. Integral to this enrollment growth has been increased diversity, as seen in the wide range of cultures, language groups, and racial and ethnic populations that make up our cosmopolitan county. Demographic trends and economic conditions shape enrollment over time. For the second year in a row, Montgomery County Public Schools (MCPS) experienced a large increase in enrollment, above what was projected. These increases in enrollment have occurred despite the stagnant housing market and weak regional economy. The latest enrollment projections, presented in this document, show substantial enrollment increases for the six year forecast period. Enrollment growth will be greatest in elementary schools, while secondary enrollment will decrease for the first few years, before beginning to increase again in the later years of the forecast period. Overall, MCPS enrollment is projected to increase by nearly 6,000 students by 2015. Higher enrollment than previously forecast makes it all the more important to keep school capacity projects on schedule.

### Community Trends

#### Population

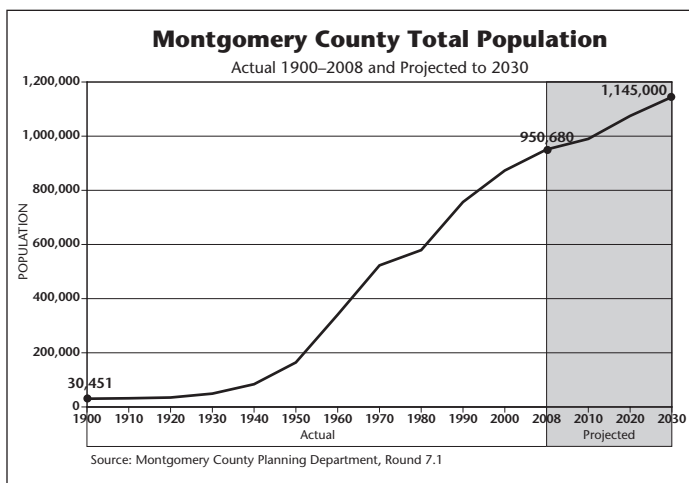
Demographic trends in Montgomery County are part of a national trend in large metropolitan areas where African Americans, Asian Americans, and especially Hispanics, have accounted for most, if not all, of the suburban population growth since 1990. MCPS planners consult various sources to monitor county population trends, including the U.S. Census, the Maryland Department of Planning, and the Montgomery County Planning Department. According to these sources, Montgomery County's total population has increased by almost 200,000 since 1990. In 2008, total population in the county is estimated to be 950,680. County population is projected to top one million by 2015. All of the county's population growth since 1990 is

due to increases in non-White race groups and the Hispanic ethnic group. Since 1990, White, non-Hispanic population, has decreased in the county by approximately 2 percent, while African Americans increased by 31 percent, Asian Americans increased by 33 percent, and Hispanics of any race increased by 38 percent.

A large share of the population increase in the county is the result of resident births outnumbering deaths by more than 2 to 1. Between 2000 and 2008, there were 110,085 births and 45,024 deaths in the county for a net natural increase in population of 65,061. The other major factor in population growth is immigration from outside the United States that has countered the outflow of county population to other places. Between 2000 and 2008, foreign immigration contributed 66,678 residents while out-migration from the county resulted in a loss of 68,545 residents. However, in the past two years the outflow of residents has slowed considerably. The percent of foreign-born residents in Montgomery County is greater than any other Maryland jurisdiction and second only to Arlington County, Virginia, in the Washington metropolitan area. The percent of foreign-born residents in Montgomery County increased from 18.6 percent in 1990 to 29.7 percent in 2007. In addition, the percent of county households that do not speak English at home increased from 21.2 percent in 1990 to 34.8 percent in 2007. It is interesting to note that in 2007, while 29.7 percent of total county population was foreign born, if broken out by age group, 36 percent of adults were foreign-born but only 10 percent of children under 18 were foreign-born. First generation children of foreign-born parents often serve as a bridge between cultures—serving as translators of language and customs.

#### Economy

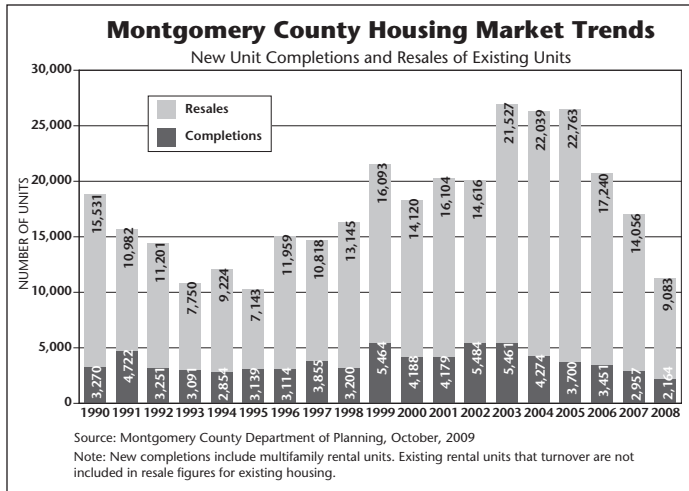
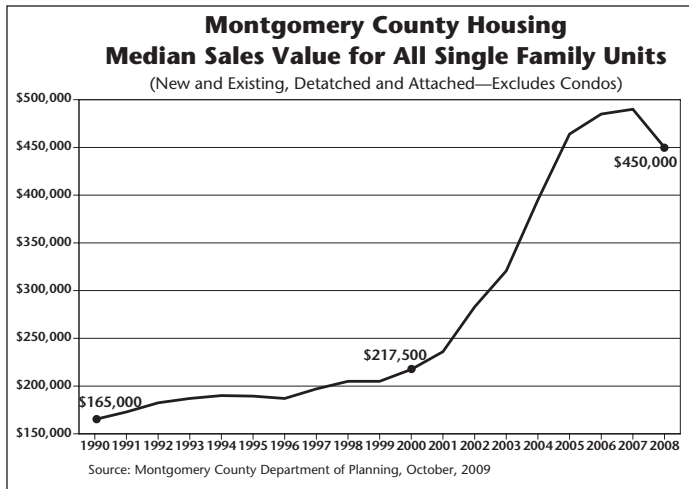
Beginning in the summer of 2007, turmoil in the nation's housing market led to the deepest economic decline since the Great Depression. The bursting of the housing "bubble" had devastating implications for banks holding large amounts of mortgage debt. Buyers who should not have been qualified for mortgages defaulted on their loans and foreclosures escalated. This led to a credit crisis that has rippled through the economy and led to millions of job losses and a national unemployment rate that reached 9.8 percent in September 2009. This is the highest unemployment rate since 1983, when it topped 10 percent. The credit crisis and related job losses have led to unprecedented federal involvement to contain the financial meltdown and stimulate the economy. In addition to the banking crisis, huge losses in the stock market have resulted in a steep reduction in the value of personal investments and retirement accounts, sharply reducing consumer spending patterns. Recent signs of economic recovery have led some economists to suggest the recession has ended. However, full recovery—especially in terms of employment—is expected to be a slow process.



The impact of the recession has been less severe in Montgomery County, compared to other parts of the country. While the national unemployment rate was 9.8 percent in September 2009, the Maryland rate was 7.2 percent and the Montgomery County rate was 5.5 percent. Even in Montgomery County, the 5.5 percent unemployment rate was above the more typical rates of 2.5 percent to 3.5 percent in past years. Resident employment was essentially unchanged from 2006 (498,078) to 2008 (497,249). However, resident employment decreased by 13,400 in the first quarter of 2009, compared to the same period in 2008. Weakness in the county economy also is reflected in housing prices and sales activity.

## Housing

High construction costs, a decreasing supply of residentially zoned land, and a preference for housing as an investment, led to extreme housing value appreciation beginning in 2000. The Montgomery County Planning Department reports that the median sales price of new and existing housing, combined, rose from \$217,500 in 2000 to \$490,000 in 2007. Since 2007 a market correction and weakened demand have resulted in a drop in the median sales price of housing to \$450,000 in 2008. In 2009 the downward trend in sales prices appears to be continuing in the existing home market, where average sales prices have declined 20 percent during the first quarter of 2009, compared to the same period in 2008. In addition, the market



for new homes has been very weak in the past two years. In 2008 only 2,164 new housing units (single-family detached, townhouses, and multi-family units) were completed. This is the lowest level of new home completions since 1976. The first quarter of 2009 suggests continued weakness in the new home construction market.

A growing supply of condominiums and apartments came on the market in the past eight years. This trend was a response to the high price of single-family units, a reduction in land available for more traditional suburban housing, and the advent of more households without children as baby boomers reach retirement age. Half of the 2,164 residential completions in 2008 were multifamily units. Most of these projects conserve on land by utilizing structured parking garages, an attribute that increases the cost of the units. The number of students residing in these high cost, high-density multifamily communities has been small. Compared to the “sellers market” in the early 2000s, today the housing market favors the buyer. Evidence of a tightened housing market is seen in the average number of days houses are on the market before being sold. In 2005, the average time a house was on the market was 28 days; in 2008 the average was 108 days.

MCPS monitors housing activity in all school service areas through close coordination with the Development Review Division of the Montgomery County Planning Department. Housing plans are factored into school enrollment projections according to building schedules provided by developers. Once the economy improves it is anticipated that demand will drive the housing market to renewed growth. In addition, a large supply of existing housing that has not sold, and new housing that has approval for construction, will become available quickly. This supply and demand condition should produce strong sales.

## Master Plans

Traditional suburban residential development is more and more the exception in the county. Clarksburg is the last large suburban community that will be built, according to the county’s general plan “On Wedges and Corridors.” The Clarksburg Master Plan allows for the development of a community of up to 15,000 housing units. A number of large subdivisions in Clarksburg are well underway and a new school cluster was formed in 2006 when Clarksburg High School opened to accommodate the new communities.

As the availability of land for residential development decreases, infill and redevelopment will characterize new growth. Higher housing densities than seen in the past are needed to increase the supply of housing in this urbanizing county. Areas of the county that already have substantial amounts of residential development are being revisited in county and city master plans. A desire to increase housing in these areas is driven by a jobs-to-housing imbalance that is believed to worsen traffic congestion. Planning for high-density residential projects is underway in Germantown, the Gaithersburg West area, and at the Wheaton and White Flint METRO stations. In an effort to bring more housing to these high employment areas, several thousand additional residential units, mostly multifamily, are

being planned. Redevelopment of the Rockville Town Center also resulted in high-density multifamily communities near the Rockville METRO station. MCPS participates in county land use planning to ensure adequate school sites are identified. See appendix P-1 for further information on the role of MCPS in county master plans.

### Growth Policy

The Montgomery County Growth Policy is the tool the county uses to regulate subdivision approvals commensurate with the availability of adequate transportation and school facilities. The Growth Policy test of school adequacy assesses projected school enrollment and capacity in 25 school cluster areas and includes capital projects that will open within the Capital Improvements Program (CIP) timeframe. Elementary, middle, and high school capacities are tested separately. For each school level, the total projected enrollment of all schools in the cluster is compared to total school capacity five years in the future. The Growth Policy school test is updated annually, using the latest school enrollment projections and capital projects that are funded and add capacity.

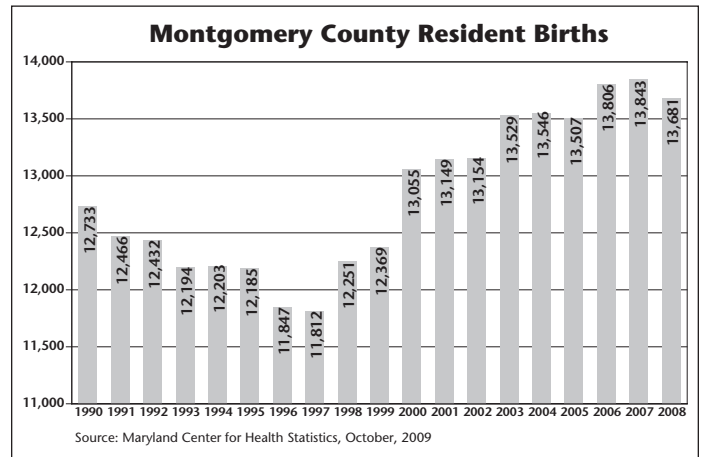
The Montgomery County Council adopted substantial changes to its Growth Policy in November 2007. The test for school adequacy was tightened and provisions for revenue increases were made. When a cluster fails the school test and school enrollments are between 105 and 120 percent of program capacity, the cluster is closed to additional development for at least one year, unless a developer makes a ‘school facilities payment’ to assist in the construction of new capacity. Now that elementary school enrollment growth has returned, many clusters exceed the 105 percent threshold for the facility payment. Eight MCPS clusters are in this status for FY 2010. When enrollment in a cluster is over 120 percent of program capacity a residential development moratorium is put in place. Four clusters have enrollment exceeding 120 percent of capacity. In these clusters—Bethesda-Chevy Chase, Clarksburg, Northwest, and Seneca Valley—no additional development may be approved for

at least a one year period. The FY 2010 Growth Policy school test results are shown below. More detailed cluster tables may be found in appendix I. Additional information on the role of MCPS in county growth policy can be found in appendix P-1.

### Student Population Trends

Trends in resident births, migration, and immigration are the basic factors that create enrollment change at MCPS. In regard to births, between 1990 and 1997 a dip in births was followed by steady increases. In 2008, births numbered 13,681, and are projected to continue increasing. The number of births in 2008 equates to an average of 37 children born per day to Montgomery County mothers. The upward trend in county births mirrors state and national trends. Birth trends have a long-range impact—children born in 2008 will reach elementary school in 2013, middle school in 2019, and high school in 2022. Since births are projected to continue to increase, it is evident that long-term enrollment increases will occur.

Records of county resident births show increasing numbers of African American, Asian American and Hispanic births, while the share of births to White, non-Hispanic mothers dropped



### Results of Growth Policy School Test for FY 2010

Based on County Council Adopted Amendments to FY 2009–2014 CIP and Cluster Enrollment Forecasts for 2014–2015  
See appendix I for more detailed information.

School Test Level	Cluster Outcomes by Level		
	Elementary Inadequate	Middle Inadequate	High Inadequate
<b>Clusters over 105 percent utilization</b> School facility payment required in inadequate clusters to proceed.	Walter Johnson Richard Montgomery Northwood Paint Branch Quince Orchard Rockville Wheaton Whitman	Richard Montgomery	
<b>Clusters over 120 percent utilization</b> Moratorium required in clusters that are inadequate.	Bethesda-Chevy Chase Northwest Seneca Valley	Clarksburg	

The Clarksburg cluster exceeds 105 percent utilization at all 3 levels. However, since this cluster exceeds 120 percent at the middle school level, the cluster is in moratorium. The B-CC cluster exceeds 105 percent utilization at the middle school level. However, the cluster is in moratorium due to elementary utilization over 120 percent.

Source: Montgomery County Public Schools, Division of Long-range Planning, October, 2009

to 38 percent in 2008. Demographic momentum for further gains in diversity is building as the median age for the Hispanic, Asian American, and African American population is lower than for the White, non-Hispanic population, and household size for these groups exceeds that of White, non-Hispanic households. The growth rate for the Hispanic population exceeds all other groups.

Migration and immigration are driven by the regional economy, housing costs, and international events. All of these factors have a significant degree of volatility and can make movement into and out of MCPS fluctuate from year to year. Records of MCPS student entries and withdrawals show that, typically, 12,000 to 13,000 new students enter the system each year while a similar number exit the system each year. (These figures do not include students entering kindergarten or students exiting the system at graduation.) During the 2008–2009 school year, entry and withdrawal records indicated that there was positive net migration into MCPS from international sources and domestic sources. This was a change from the recent past when there had been net out migration to domestic locations. (More students exited MCPS to other parts of the country than entered MCPS from other parts of the country.) At this time, the stagnant housing market is making it difficult for residents to sell their homes, contributing to less mobility. Consequently, more households are ‘staying put’ in the county and fewer MCPS students are moving out to other counties and states. Another contributing factor to enrollment change is the increasing share of county enrollment that is enrolled in MCPS. In 2008, 85 percent of students enrolled in Montgomery County schools were enrolled in MCPS, while 15 percent were enrolled in county nonpublic schools. This was up from 82 percent in previous years.

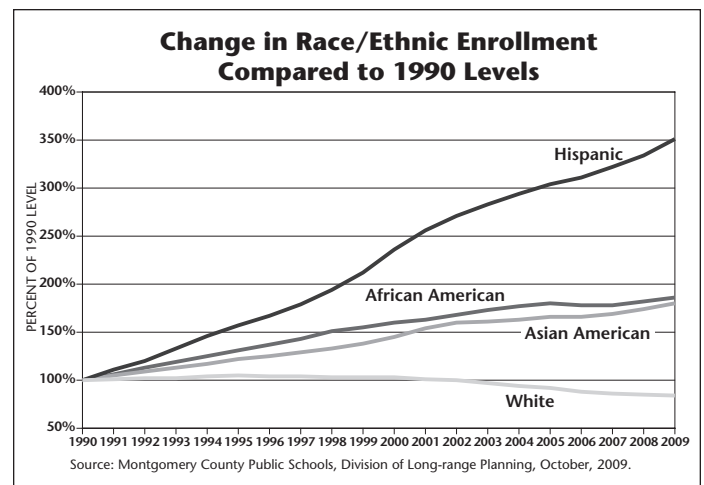
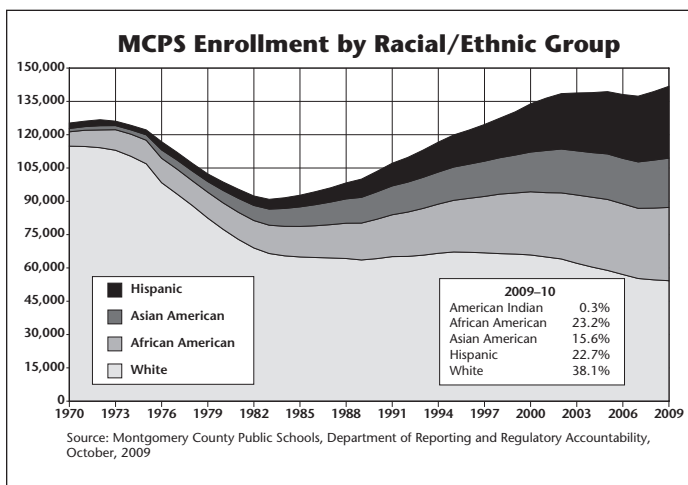
## Student Diversity

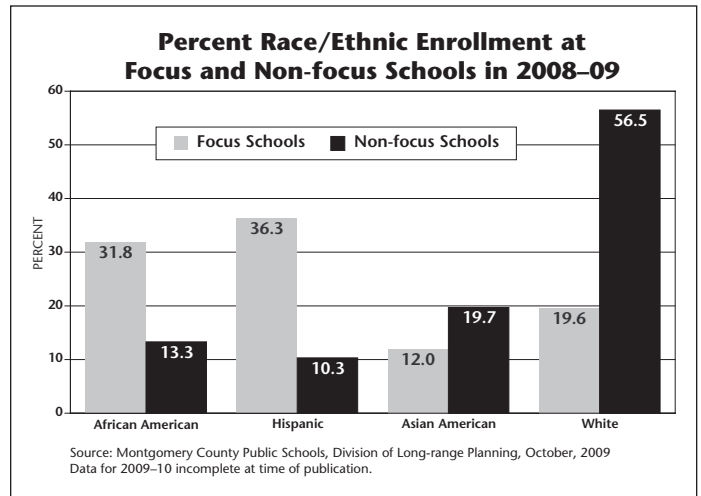
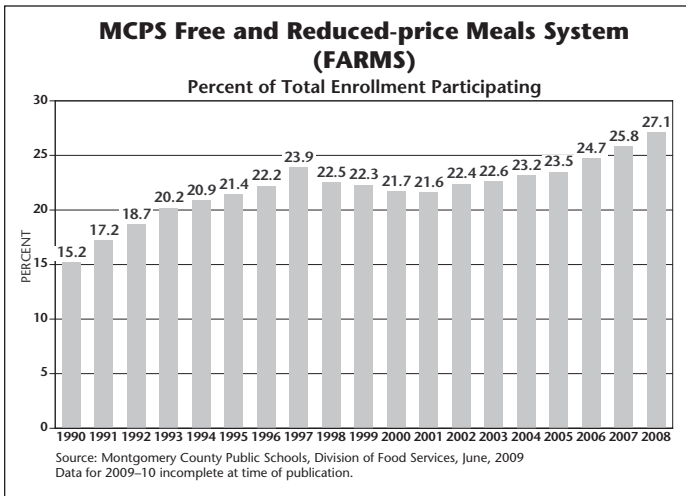
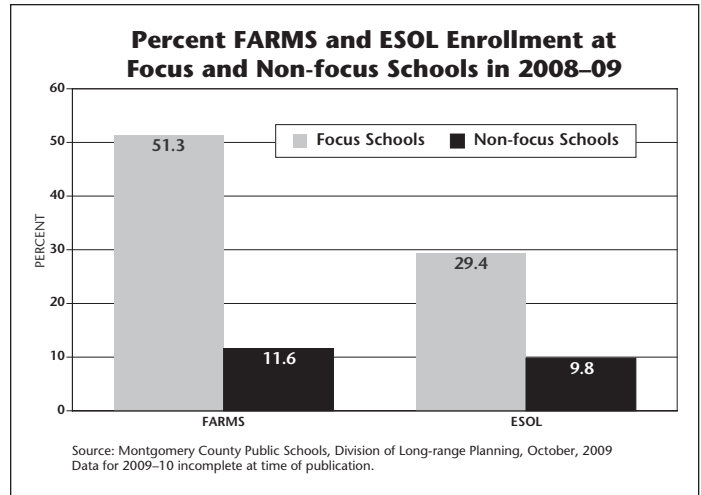
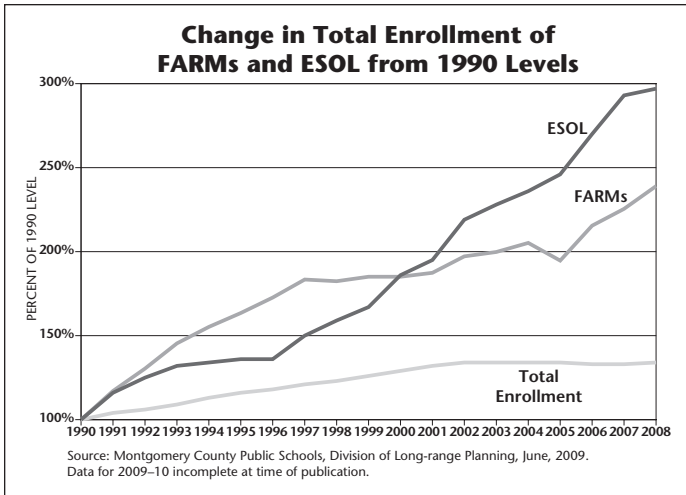
MCPS preliminary September 30th enrollment for the 2009–2010 school year is 142,189. Disaggregation of enrollment by racial and ethnic groups reveals the single most important element of growth. Since 1990, MCPS enrollment has grown by over 38,000 students, a 37 percent increase over the 1990 enrollment of 103,732. Over this period, White, non-Hispanic enrollment declined by 9,967 students. All of the enrollment increases since 1990 are attributed to African American (+15,270), American

Indian (+165), Asian American (+9,869), and Hispanic (+23,120) racial and ethnic groups. MCPS enrollment is now 23.2 percent African American, 0.3 percent American Indian, 15.6 percent Asian American, 22.7 percent Hispanic, and 38.1 percent White, non-Hispanic. The accompanying charts display these trends in two ways. First, by looking back to 1970 at enrollment levels by racial and ethnic group, it is possible to see the transformation of MCPS from a school system where enrollment was 92 percent White, non-Hispanic, to one where only 38 percent of students fall in this group. Second, by looking at the percent increases in each racial and ethnic group since 1990, it is evident that Hispanic enrollment (which grew by over 300 percent since 1990) is leading all other groups in rate of growth.

Enrollment in MCPS special programs, that serve our diverse student body, has occurred at rates significantly higher than the overall rate of total enrollment. Student participation in the federal Free and Reduced-price Meals System (FARMS) program is the school system’s best measure of student socioeconomic levels. In 1990, 15,576 students (15.2 percent of enrollment) participated in the program. By 2008, 37,692 students (27.1 percent of enrollment) participated in the program, an increase of 22,000 students. Student enrollment in the English for Speakers of Other Languages (ESOL) program is a measure of student ethnic and language diversity. In 1990, 5,472 students (5.3 percent of enrollment) enrolled in this program. By 2008, 16,276 students (11.7 percent of enrollment) enrolled in this program, an increase of 10,800 students. An increasing share of these ESOL students live in households where the parents were born in another country and the children were born in the United States. In 2008, 54 percent of students in the ESOL program were born in this country. The accompanying chart displays the percent of increase in the two special program areas since 1990, compared to total enrollment increases. ESOL enrollment is the leader in growth measured this way, with almost a 300 percent increase since 1990. This corresponds to the rate of increase in Hispanic enrollment. (Data for the 2009–2010 school year for FARMS and ESOL programs was not complete at the time of publication.)

Since 2000, low-income households have been hardest hit by large increases in the cost of housing, either for purchase or for rent. There is evidence that rising housing costs have





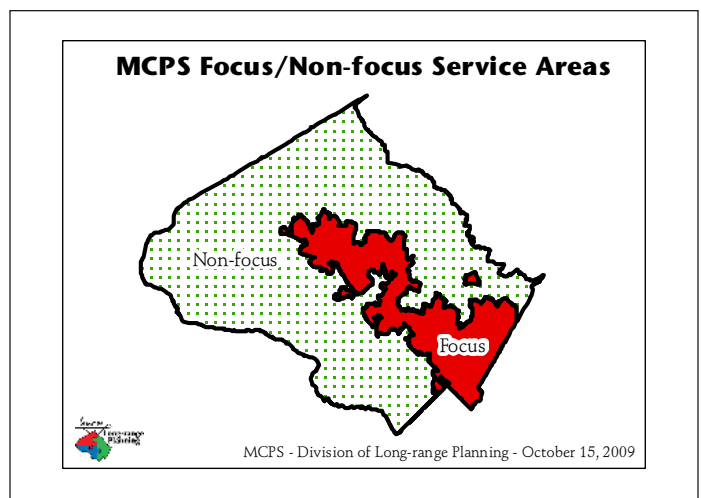
driven out some low and moderate income households from areas where, in the past, affordable housing was available. The recent sub-prime mortgage crisis is further contributing to destabilizing housing for this segment of the population. Areas hardest hit correspond to the portion of the county served by the MCPS “focus” elementary schools, where high levels of student FARMS participation are found and elementary school class-size reduction initiatives have been put in place. Following is a more detailed discussion of demographic trends in focus and non-focus elementary schools.

## Focus and Non-focus Elementary Schools

The greatest concentration of student racial and ethnic diversity and participation in the FARMS and ESOL programs is found in the core of the county where two conditions exist—major transportation corridors are present and affordable housing is available. In Silver Spring and Wheaton, these conditions are found in communities bordering New Hampshire Avenue, Georgia Avenue, and Columbia Pike. In Rockville, Gaithersburg, and Germantown, these conditions are found in communities bordering I-270 and Route 355. Affordable communities along these transportation corridors are characterized by apartment communities dating from the 1980s and earlier and

neighborhoods with relatively modest townhouses and single-family detached homes. Some of these homes are rented and may be occupied by two or more families who share housing costs.

At one time, communities in the “focus” elementary school service areas had little racial and ethnic diversity. The wave of immigration over the past two decades has transformed these communities. In these focus school communities enrollment growth has been driven by turnover of existing units and the



changing demographic characteristics of new residents. Change in enrollment in the focus schools is indicative of the impact of demographic change in older communities on growth in enrollment. With the upward trend in county births, enrollment growth is projected at both focus and non-focus schools. In 2008, three more elementary schools were added to the focus group of schools—Lake Seneca, McAuliffe, and Waters Landing elementary schools. There are now 66 elementary schools in the focus school group (including the upper schools in the case of paired schools) with a total 2008 enrollment of 31,920, and 65 elementary schools in the non-focus school group with a total enrollment of 31,476. The demographic compositions of focus and non-focus schools are compared in the accompanying charts.

## MCPS Enrollment Forecast

The school enrollment forecasts presented in this document are based on county births, aging of the current student population, student migration patterns, and the latest assessment of housing market trends. As county births increase, more and more kindergarten students are entering MCPS. In a two year period, from 2007 and 2009, kindergarten enrollment increased by nearly 900 students. Elementary enrollment is now entering a strong growth phase. Prekindergarten general education and special education programs also are increasing. Secondary enrollment will trend slightly downward for the next few years, and then rebound as larger elementary grades “age up.”

The six-year forecast for Grades K–5 enrollment shows an increase of 4,665 students from the preliminary 2009 enrollment of 62,235, to the projected 2015 enrollment of 66,900. The six-year forecast for Grades 6–8 enrollment shows an increase of 2,063 from the preliminary 2009 enrollment of 31,013 to the projected 2015 enrollment of 33,076. The six-year forecast for Grades 9–12 enrollment shows a decrease of 1,304 from the preliminary 2009 enrollment of 45,317 to the projected 2015 enrollment of 44,013. Factoring in the forecast for prekindergarten (general education and special education), the six-year forecast for total MCPS enrollment shows an increase of 5,854 from the preliminary 2009 enrollment of 142,189 to the projected 2015 enrollment of 148,043. (See appendices A and B for further details on enrollments by grade level and program.

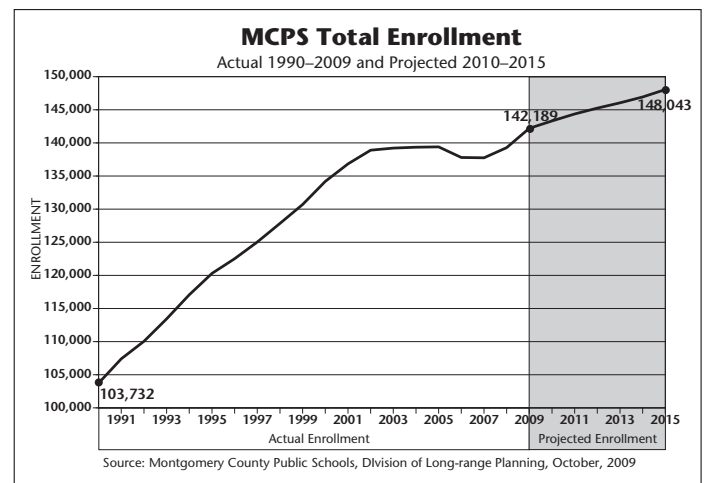
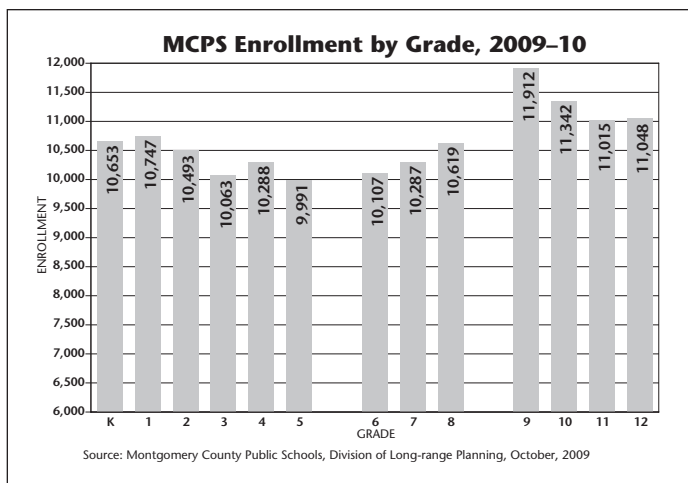
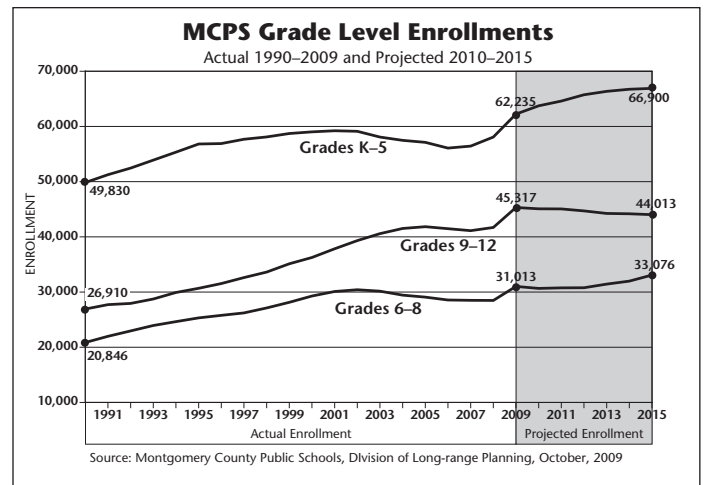
See appendix P-2 for a description of the MCPS enrollment forecasting methodology.)

## Summary

The last major period of enrollment increases at MCPS occurred in the 1950s and 1960s when children from the Baby Boom era—born between 1946 to 1964—were enrolling in schools. Enrollment from this wave of births peaked in 1972 at 126,912. Thereafter, the so-called Baby Bust era saw births decline and MCPS enrollment decrease, to a low of 91,030 in 1983. Since 1983 a much greater “baby boom” has occurred in the county. During the official Baby Boom years, the highest birth year in Montgomery County was 1963, when there were 8,461 resident births. The current baby boom in the county greatly surpasses this figure, with 13,681 births in 2008. Accelerating enrollment increases is the movement of households into the county from other parts of the world.

The current era of enrollment increases has already seen enrollment grow by over 50,000 students since 1983. Keeping pace with enrollment growth, implementing full-day kindergarten at all elementary schools, and accommodating class-size reductions at focus elementary schools, has required a major investment in school facilities.

In the 2009–2010 school year, MCPS operates 131 elementary



schools, 38 middle schools, 25 high schools, one career and technology center, and five special education program centers. Since 1983 MCPS has opened 31 elementary schools, 17 middle schools, and 6 high schools (including 10 re-openings of closed schools). In the next six years, additional school capacity will be needed. Competing with the need for school capacity is the need to preserve our investment in school facilities through a systematic schedule of school modernizations. Since 1983, 53 elementary schools, 11 middle schools, and 11 high schools have been modernized. As schools continue to age, modernizations remain a high priority. Overall, the facility plans and capital projects described in this document will enable the school system to add school capacity and systematically renew our older schools.

