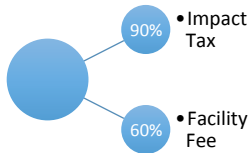


Comparison of Positions on Developer Contributions for Schools September 6, 2016

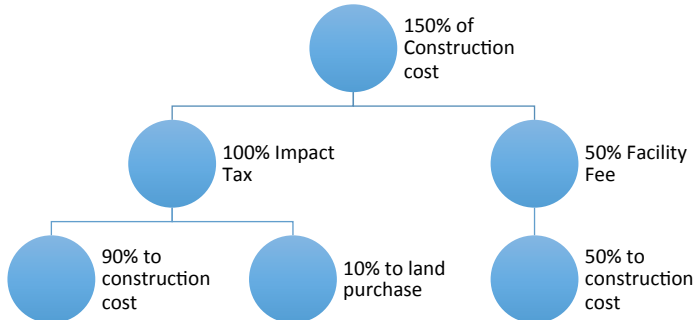
On Tuesday, September 13th members of MCCPTA will be addressing the Montgomery County Council about something of vital importance to many of us – school overcrowding and construction. This policy, better known as the Subdivision Staging Policy, involves a lot of moving parts: our Board of Education, MCPS, the County Council, the Parks and Planning Commission, and more. Basically we need more money and better policies put in place. And this Tuesday is our chance to make a difference.

Current Policy—150%



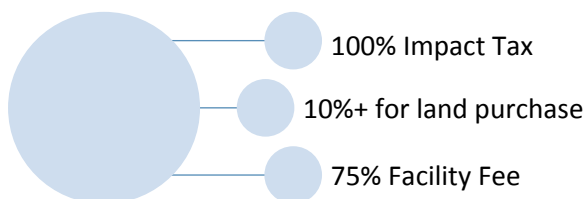
There are two different forms of revenue that can improve the lot of our schools. The first are impact taxes. Impact taxes are collected on all development to compensate for 90% of the cost of new students entering the schools. This is important because our schools are literally splitting at the seams due to overcrowding or are falling down around us. The second are facility payments, which are only collected for schools that are between 105% and 119% of MCPS capacity in the sixth year of the CIP. Together, the two payments currently total 150% of the cost of school construction for each new student.

Planning Board Proposal—150%



The Planning Board is proposing maintaining that 150% rate (a combination of impact tax and facility fee) while adjusting within that number. These are the parameters we are working within. While the impact tax will rise to 100% of the cost necessary, 10% will be reserved for land purchases. To keep things in balance, the facility fee will decrease to 50% to maintain the Planning Board's preferred 150% total cost percentage (140% for school construction and 10% for land).

MCCPTA Position:—160% but prefer 185%



MCCPTA is in favor of capturing as much of the cost as possible from developers of new projects. That is why we are focussing on the percentages being proposed. The factors (i.e., construction costs and projected number of students) involved in calculating these payments have changed. We prefer the current method of calculating the projected number of students; however, we

support the proposed calculation of projected number of students because the original recommendation by the Planning Board would have cut impact taxes by 45%.

We do NOT want to take money away from construction funds but seek a separate funding source IN ADDITION to the impact tax. We propose 100% of the impact tax to carry out building construction – and at least 10% for land purchases. We welcome the creation of a fund for purchasing land but not at the expense of funding greatly needed capacity projects. Funds for land should be raised through a separate impact payment or by exceeding the 100% impact tax.

Finally, we do not want to see the facility fee reduced from 60% and would prefer it be raised to 75%. (Making the total percentage of cost collected from 160% to 185%, with 10% for land.) The number of schools that fall within the facility payment range are numerous and increasing, this would capture more funding than has been previously obtained and reflect the dire capacity crunch our schools are facing.

These positions reflect our interest in capturing the maximum cost of school construction at the time residences are built for their entire life and all students that will add over that time. Naturally, there will be some give and take of the amount collected over time (i.e., construction costs are currently lower); however, the formulas proposed benefit our entire county overall.