

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Declining Enrollment: The New Reality

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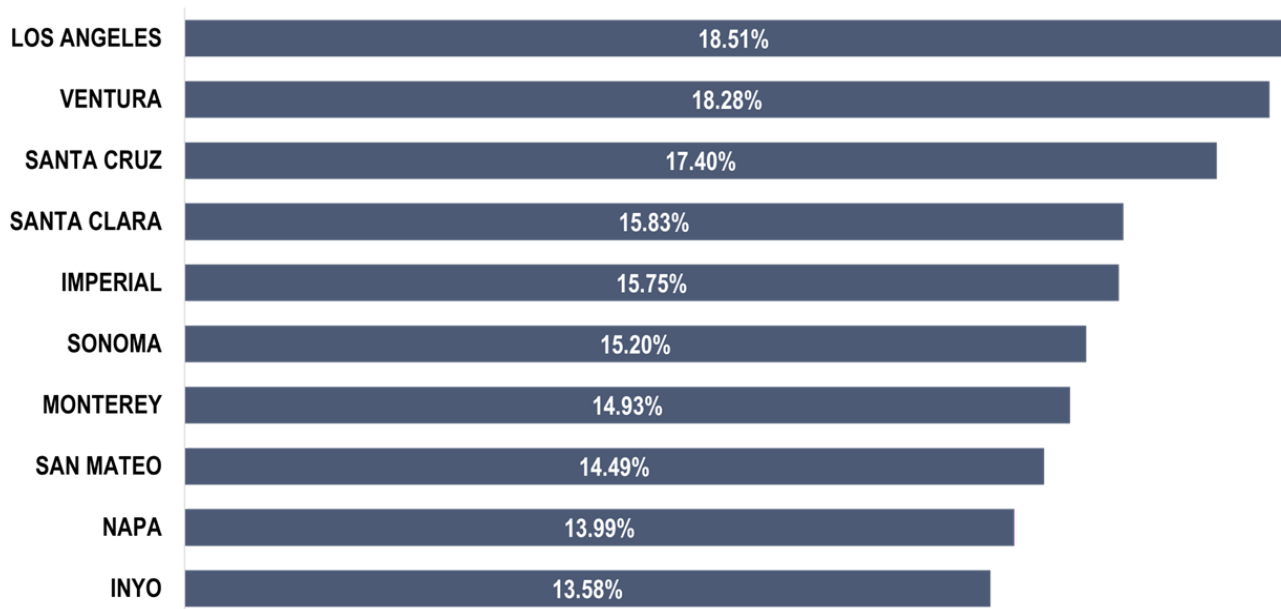
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Statewide enrollment trends experienced the fifth consecutive decrease in enrollment in the 2021-22 school year, with a loss of 110,000 (roughly 1.84%) students. In fact, the last time student enrollment was this low was in 1998-99, more than 20 years ago. If current trends hold over the next ten years, further decline of 523,700, roughly 8.9% of 2021-22's total enrollment, is projected. Although statewide enrollment reflects a downward trend, the experience varies by geographic location, with the top projected declining enrollment counties reflected in the figure below.

Projected Top Declining Enrollment Counties (Between 2021 and 2031)



The loss of students does not align with the strategic planning in California schools, which has been based on an underlying assumption of increased student attendance for more than three decades. As individual local educational agencies (LEAs) began to experience decreased student enrollment and worked to assess the impacts at the local level, there were efforts to understand the root cause of the decline. Over time, there is recognition that the cause is two-fold, students are leaving California schools, and the numbers of school-aged children has decreased due to lower birth rates.

Emergency funding resources, the addition of transitional kindergarten students, and the new average daily attendance calculation are helping to mask the negative impact of declining enrollment, but LEAs should remain alert and focused on the fiscal implications of operating with less students. As LEAs prepare for the First Interim budget updates, it is important to focus on the immediate and urgent challenges of staffing shortages and the implementation of new programs, in addition to the impacts of declining enrollment in future years. The multiyear projection is a critical part of the First Interim budget and also an opportunity to communicate with the board, administration, and community partners as the strategic planning cycle gets underway. A proactive approach to examining the current and projected enrollment data is an important first step. It is also critical for districts to take advantage of this additional time to communicate with staff and the community in a way that will maintain trust. Waiting until the district is in fiscal trouble to start addressing the issue of declining enrollment will make the situation worse for staff and students alike.

To assist LEAs in navigating the complexities of declining enrollment, the upcoming two-part webinar series, [Declining Enrollment—Operational Strategies](#), is presented in partnership with the Fiscal Crisis & Management Assistant Team and is designed to support administrative teams in managing operations, fiscal management, and facility considerations. In addition, this webinar will cover human resources management areas such as managing enrollment and staffing practices. To find out more about the upcoming webinar and register, please click [here](#).