FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Declining Enrollment

California School Boards Association

Delegate Assembly

May 17, 2025

Statewide Population Rebounding

- California's population is rebounding after mild decline.
  - The most recent annual population rate of change began declining in 2018.
  - From 2021 to 2023, the annual change turned negative – first time in history.
  - Although recovery began in 2024, net growth is not expected to turn positive until 2028.
  - Another decline in annual population rate of change is projected to begin in 2033 and continue through the forecast period.

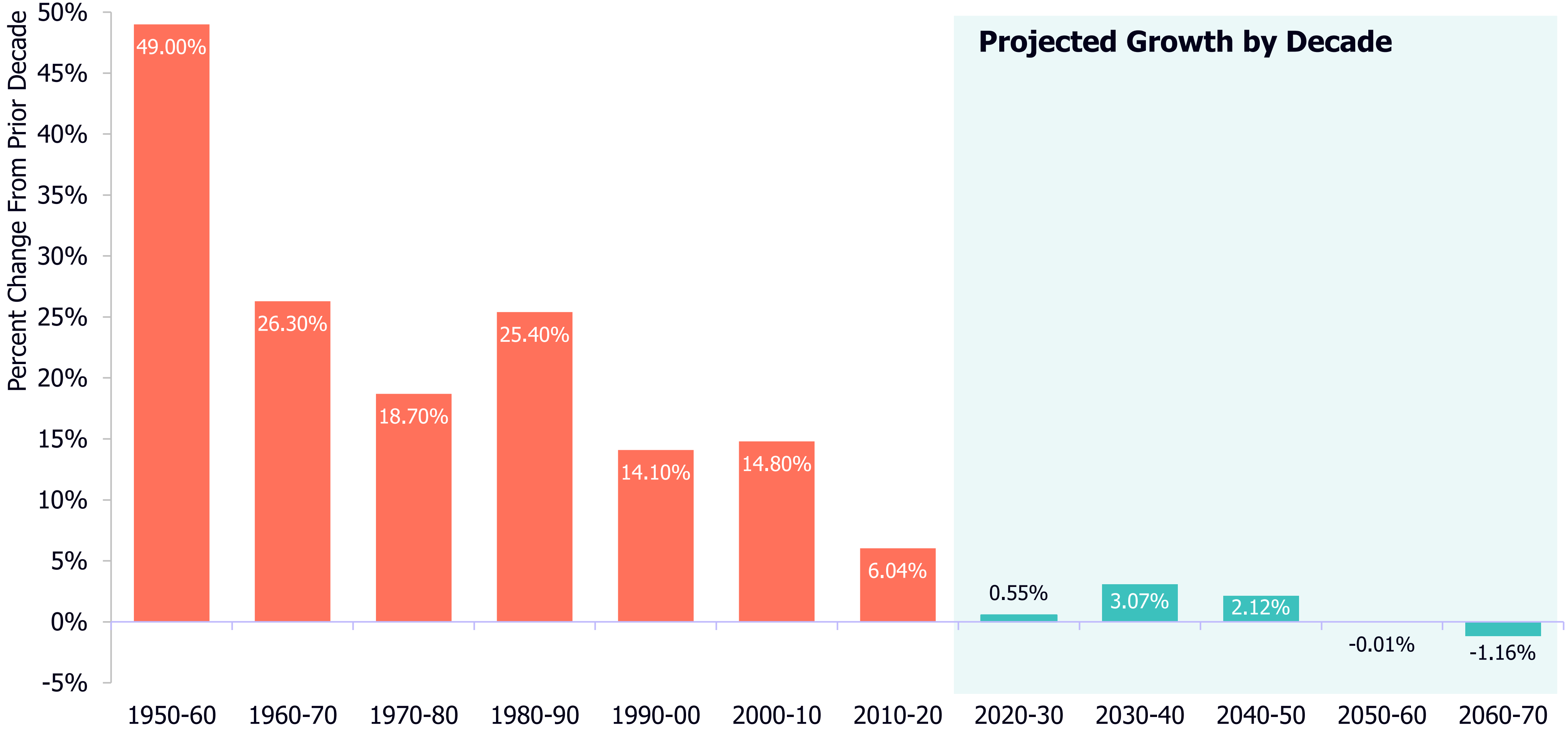
Source: Adapted from California Department of Finance (DOF) actuals (2010-2020), estimates (2021-2024) and projections (2025-2040) as of April 25, 2025.

Statewide Population Rebounding (cont.)

- Birthrates are the primary driver of changes in the early-age population.
  - California’s total fertility rate (TFR) remains below the level needed to maintain the population.
- Net migration remains volatile, fluctuating between positive and negative trends.
- Immigration remains low, failing to offset negative migration compared to the past.

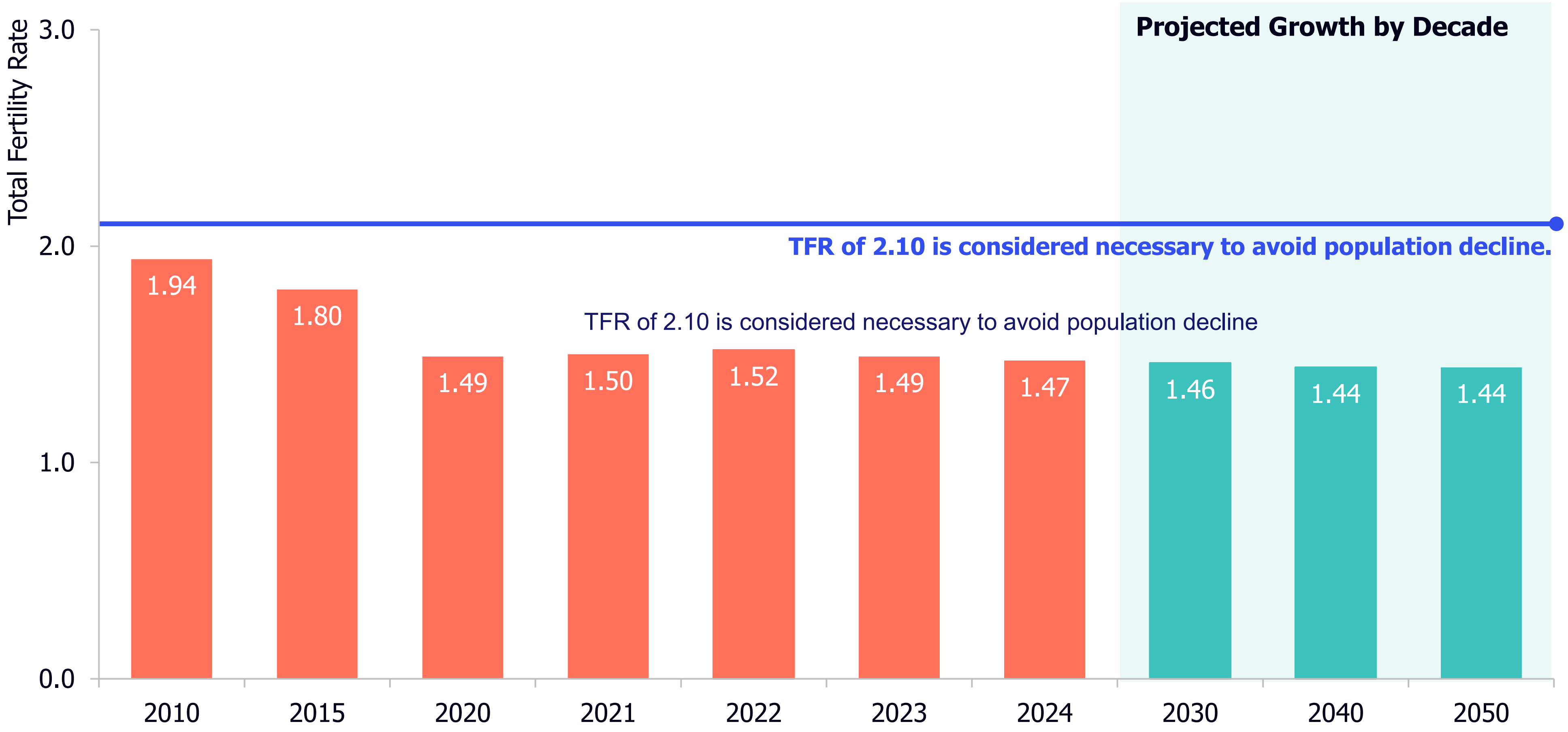
Source: Adapted from California Department of Finance (DOF) actuals (2010-2020), estimates (2021-2024) and projections (2025-2040) as of April 25, 2025.

California Population Growth by Decade



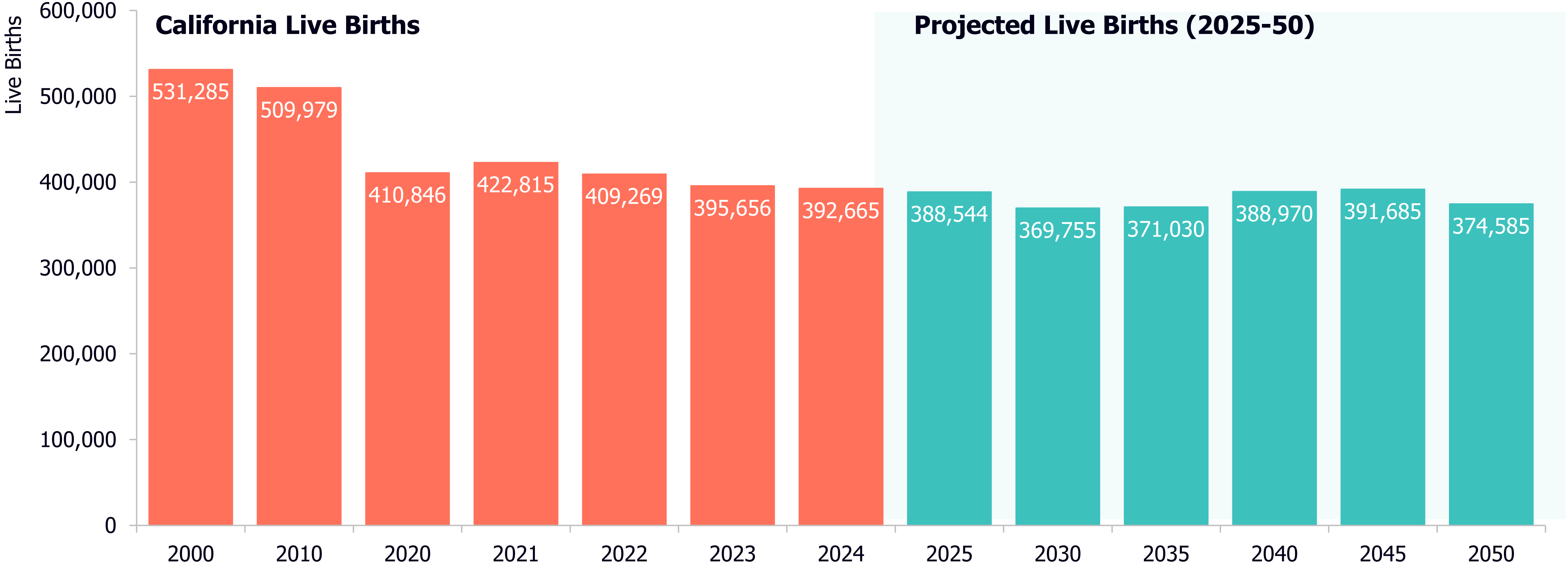
Source: Adapted from California DOF.

California's Total Fertility Rate



Source: Adapted from California DOF.
Note: TFR is the average number of children a woman has over her reproductive lifetime.

California Births Down 26% Since 2000



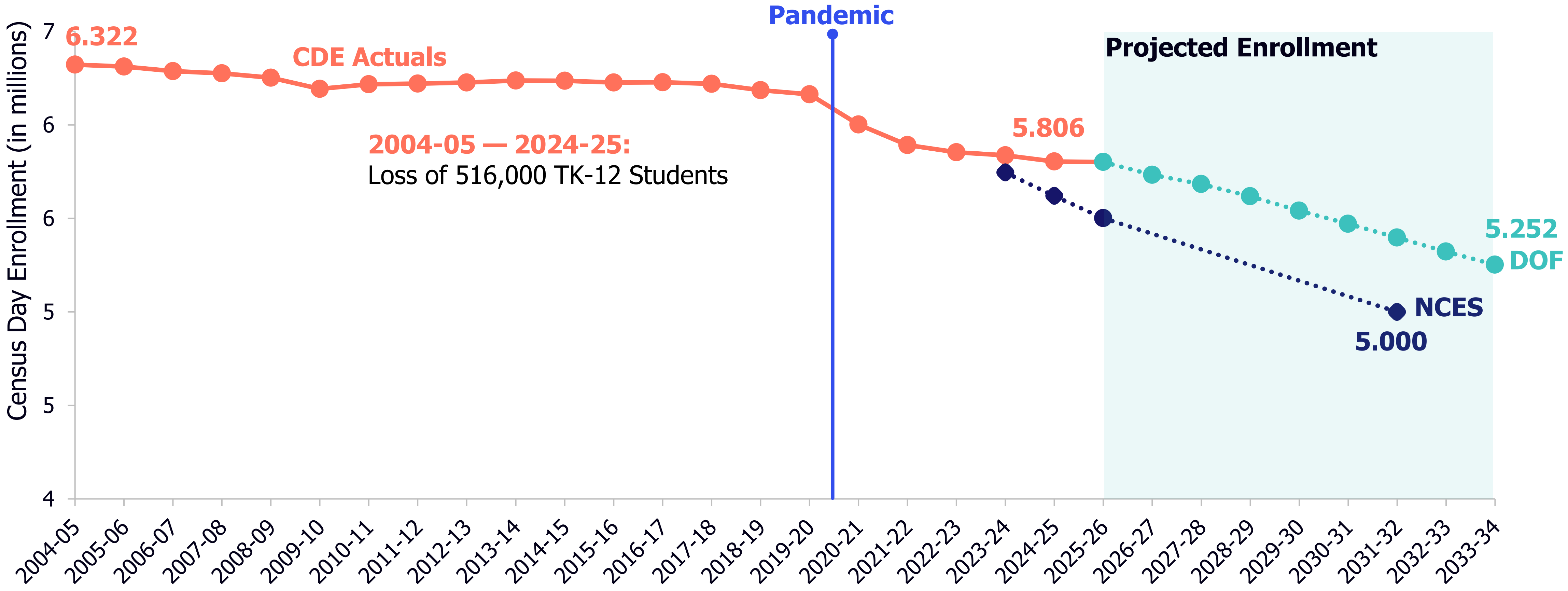
Source: California DOF.

Ongoing Decline in Statewide Enrollment

- Total transitional kindergarten through grade 12 (TK-12) enrollment (including charter and noncharter schools) has been declining since 2004.
  - Schools were experiencing enrollment declines prior to the pandemic.
  - Over the past ten years (2015-16 to 2024-25) total TK-12 enrollment has declined 6.75%.
- Forecasts indicate continued declines through early 2040s.
  - The annual rate of decline or improvement will vary by grade span.
  - Based on current trends, an additional decline of approximately 11% is expected.

Source: Adapted from California DOF actuals (2010-2020), estimates (2021-2024) and projections (2025-2040) as of April 25, 2025.

Ongoing Decline in TK–12 Enrollment Since 2004



Sources: California Department of Education (CDE), California DOF, and National Center for Education Statistics (NCES).

Historical Decline in TK–12 Enrollment

Reporting Period	Total Enrollment	Annual Change in Enrollment	% Change
Fall 2024	5,806,221	-31,469	-0.54%
Fall 2023	5,837,690	-14,854	-0.25%
Fall 2022	5,852,544	-39,696	-0.67%
Fall 2021	5,892,240	-110,283	-1.84%
Fall 2020	6,002,523	-160,478	-2.60%
Fall 2019	6,163,001	-23,277	-0.38%

Source: Adapted from CDE.
Note: Change reflects year-over-year difference from the previous fall census.

Statewide Kindergarten Enrollment Is Recovering

- Kindergarten enrollment has historically made up approximately 8.5% of total enrollment. In 2020-21, it represented only 7.7%, the lowest share of enrollment in a decade.
- Kindergarten enrollment began to rebound in 2021-22 driven largely by the phased implementation of transitional kindergarten.

	2024-25	2023-24	2022-23	2021-22	2020-21
Kindergarten as % of Total Enrollment	9.34%	8.95%	8.47%	7.98%	7.70%
Annual Change in Total Kindergarten Enrollment	20,331	26,430	25,883	7,756	-60,837
% Change in Total Kindergarten Enrollment	3.89%	5.33%	5.51%	1.68%	-13.13%
% Change in Kindergarten Enrollment	-1.55%	-2.15%	-3.94%	0.25%	-9.36%
% Change in Transitional Kindergarten Enrollment	17.21%	29.59%	54.90%	9.85%	-22.71%

Source: Adapted from CDE. **Note:** Change reflects year-over-year difference from the previous fall census.

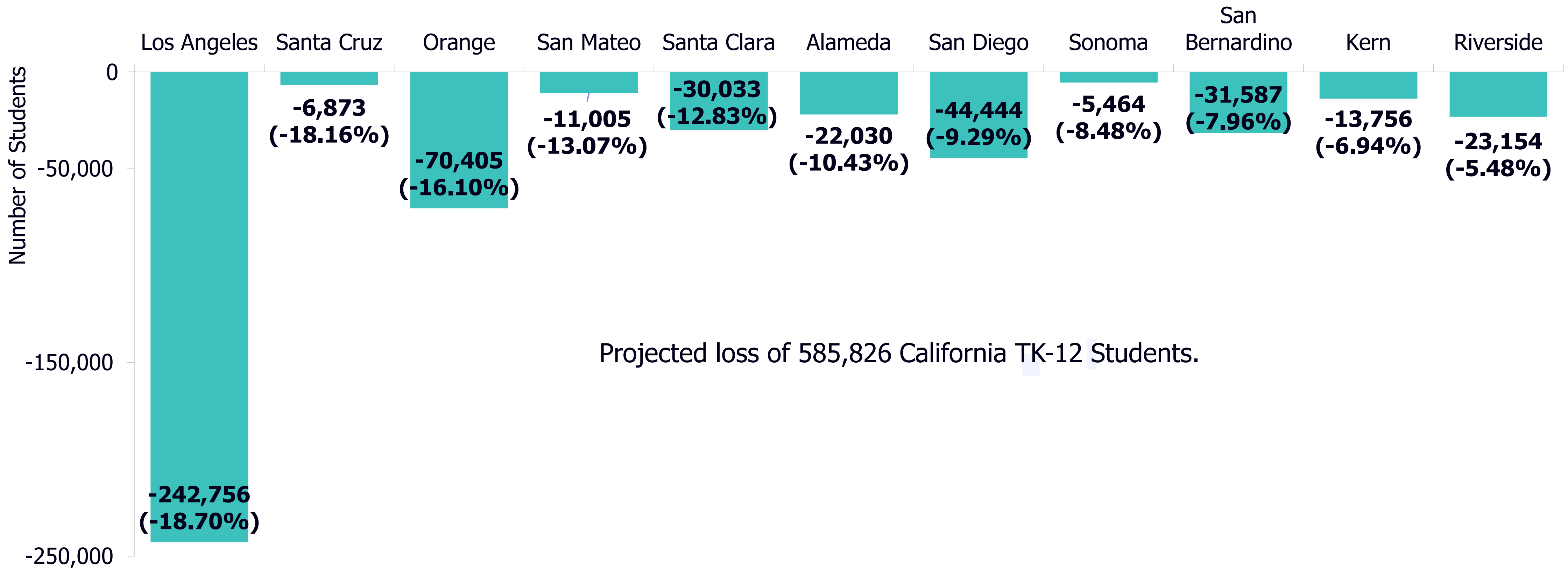
TK-12 Enrollment Decline by Grade Level

Grade Level	% Change (2024-25)
Grade 1	-2.92%
Grade 2	-2.80%
Grade 3	-0.78%
Grade 4	-1.16%
Grade 5	-0.02%
Grade 6	-0.41%

Grade Level	% Change (2024-25)
Grade 7	-0.73%
Grade 8	-0.38%
Grade 9	-1.71%
Grade 10	-3.19%
Grade 11	-1.19%
Grade 12	-2.17%

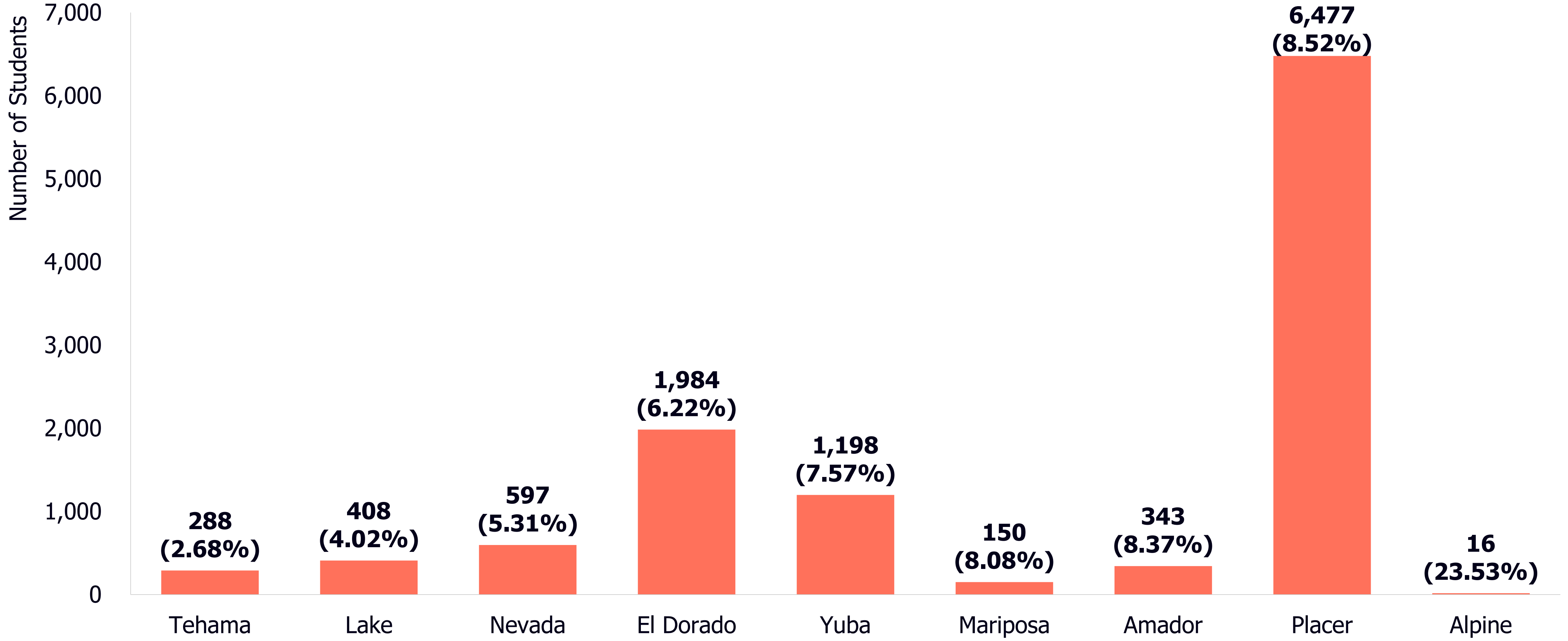
Source: Adapted from CDE.
Note: Change reflects year-over-year difference from the previous fall census.

Projected TK–12 Enrollment Decline: 2023-24 — 2033-34 (Selected Counties)



Source: Adapted from California DOF.

Projected TK–12 Enrollment Growth, 2023-24 – 2032-33 (Selected Counties)



Source: Adapted from [California DOF](#).

Impacts Beyond Base LCFF Funding

- Historical and projected declines are most pronounced in counties with higher concentrations of English learners, low-income families and students with disabilities (unduplicated pupils).
- Shifts in district demographics affect unduplicated pupil count and percentage, which directly influence funding under the Local Control Funding Formula (LCFF).
- Special education funding is based on total average daily attendance (ADA), which typically decreases alongside overall enrollment; however, special education enrollment is increasing as a percentage of total enrollment.

Enrollment Trends Affect Staffing and Facilities

- Due to the expansion of TK, total kindergarten has experienced the most growth since the pandemic.
  - While this growth positively affects kindergarten enrollment (and overall enrollment), it does not carry forward as the cohort progresses through later grades.
  - This trend has staffing and facility implications for kindergarten classrooms.
- Although school closures and site repurposing have been relatively minimal to date, the cumulative effect of ongoing enrollment declines is likely to increase pressure on districts to consider closures, consolidations and repurposing at more frequently.
  - These potential actions raise concerns about equity.

Negotiation Considerations Amid Declining Enrollment

- The cost-of-living adjustment (COLA) often does not keep pace with increases in fixed operational costs, such as step-and-column salary adjustments, health benefits, utilities, and property and liability insurance.
  - Fixed costs typically rise by 4.5% to 5.0% annually.
- Even with a moderate COLA, declining enrollment can reduce year-over-year revenue, resulting in fewer available dollars in the subsequent year.
  - It is essential to negotiate based on actual dollars rather than percentages. (See next slide for an example.)

LCFF Revenue Impact Example

LCFF Rates			
Grade Span/ Component	Prior Year	New Year	Change
TK-3	$10,025	$10,256	$231
4-6	$10,177	$10,411	$234
7-8	$10,478	$10,719	$241
9-12	$12,144	$12,424	$280
TK-3 GSA	$1,043	$1,067	$24
9-12 GSA	$315	$322	$7
TK Add-on	$3,077	$3,148	$71

Assumptions	
Enrollment	10,000
Enrollment Change (-2%)	-200
ADA Decline (92% yield)	184
Unduplicated Pupil Percentage (no change)	63.00%
COLA	2.30%

Results	
Prior Year LCFF Revenue	$119,888,596
New Year LCFF Revenue	$120,173,990
Difference	**$285,394**
Net Increase (Effective %)	**0.24%**

Source: FCMAT calculations.
Note: The acronym “GSA” stands for .grade span adjustment.

Impacts of Declining Enrollment Extend Beyond the Classroom

- Enrollment drives expenditures while ADA is the basis for revenue.
- Classroom reductions alone are insufficient. The financial impact extends beyond direct instructional costs.

Revenue Loss Scenario

- Loss of 120 students = 113 ADA
- Revenue per ADA = $13,560
- **Total Lost revenue: $1,532,280**

Offsetting Savings Scenario

- Assuming 24:1 staffing ratio:
  5 teachers @ $112,598 per teacher = $562,990
  Miscellaneous costs @ $500 per student = $60,000
- **Total savings: $622,990**

Resulting Deficit

- **$909,290** — approximately 59% of the lost revenue remains unaddressed.
- Additional reductions to programs, operations, & nonclassroom staff are necessary to balance the budget.

Source: Adapted from School Services of California, Inc. FCMAT calculations.

Strategies for Addressing Declining Enrollment

- Proactive, comprehensive planning, clear, consistent communication and systemic reform are essential.
  - This is an opportunity to adopt a transformational mindset and reimagine district structures.
- Staffing strategies must be reassessed across all functions. This may include school consolidations and/or closure.
- District office and ancillary services will also need to be right-sized to reflect enrollment.
- Adopt a business-oriented approach – explore programs in high demand and improve marketing efforts both within and beyond district boundaries.

Strategies For Addressing Declining Enrollment (cont.)

- Develop a deep understanding of local and regional data and trends.
  - Each LEA has a unique story shaped by its local community, enrollment patterns, programs, competition, and opportunities.
  - Identify the what, how, who and when behind the trends.
- Pay close attention to enrollment projection details.
  - Evaluate a range of projections and apply both conservative and aggressive models to inform planning.
  - Projections should guide decisions related to staffing, instructional materials, and facility use.

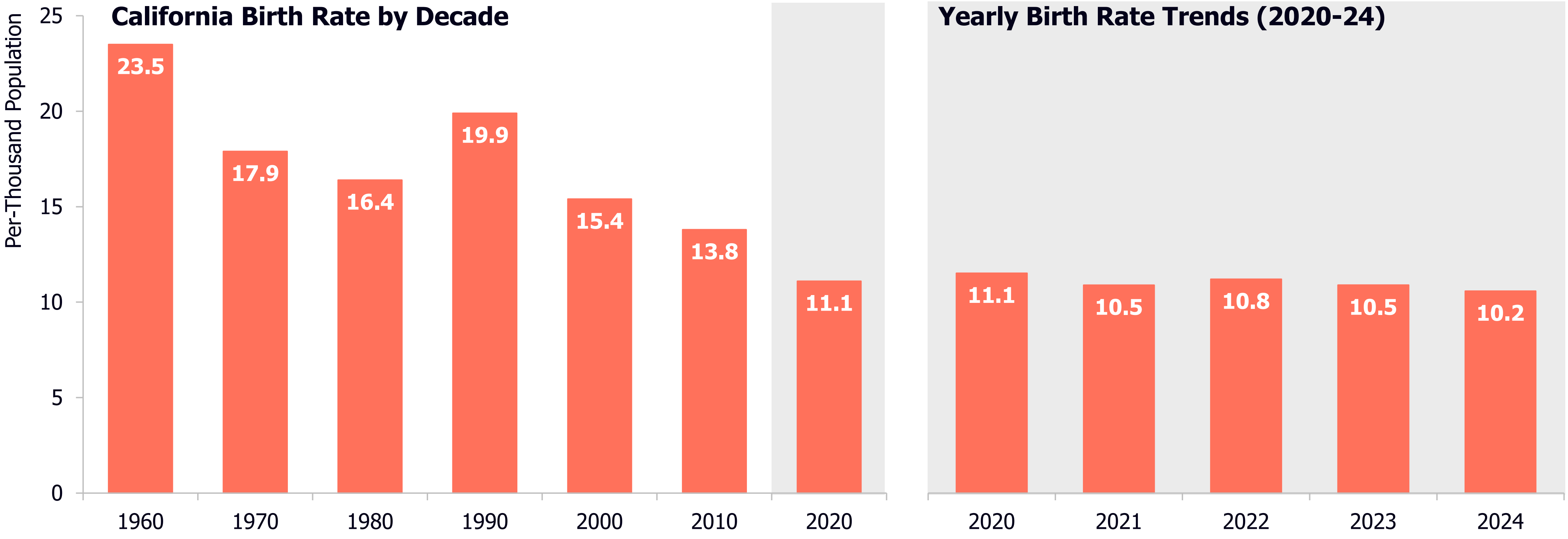
Strategies For Addressing Declining Enrollment (cont.)

- Be strategic and collaborative.
  - Align business services and human resources to ensure coordinated decision-making.
  - Monitor staffing closely: track attrition, temporary and nonclassroom assignments.
- Prioritize clear and frequent communicate.
- Act early.
  - Preserving resources is far more effective than trying to restore depleted revenues and reserves later.

Thank you!

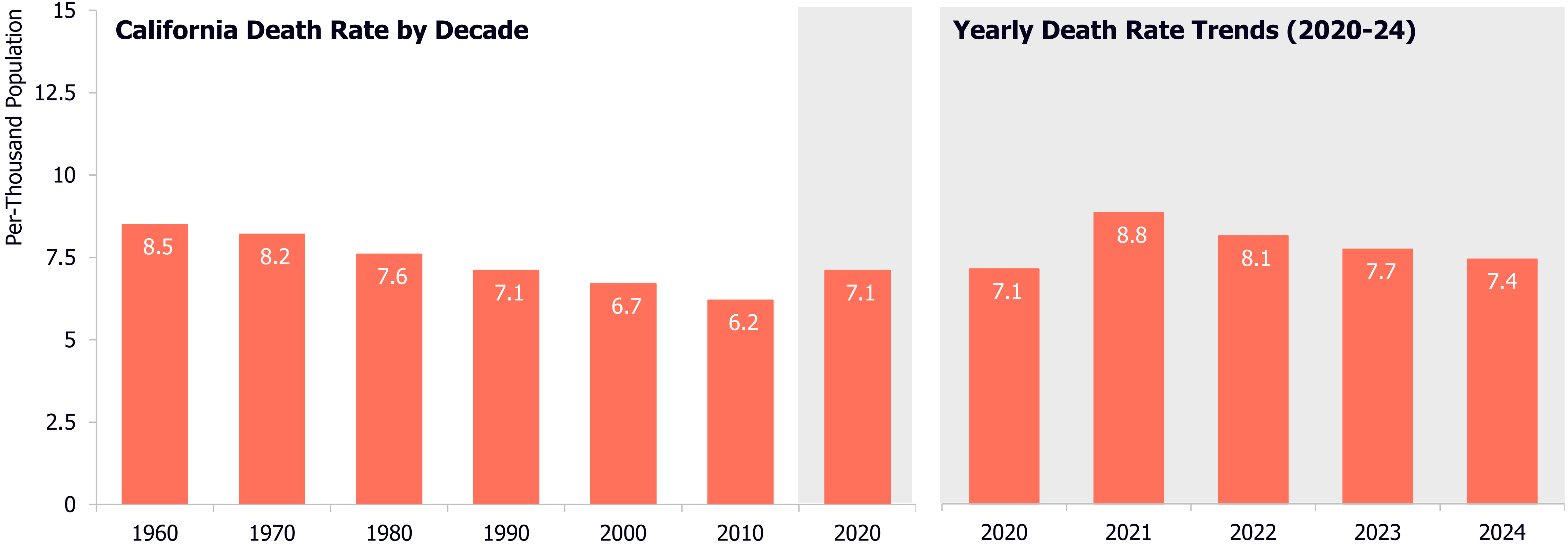
Appendix

Statewide Population Component Changes: Crude Birth Rate



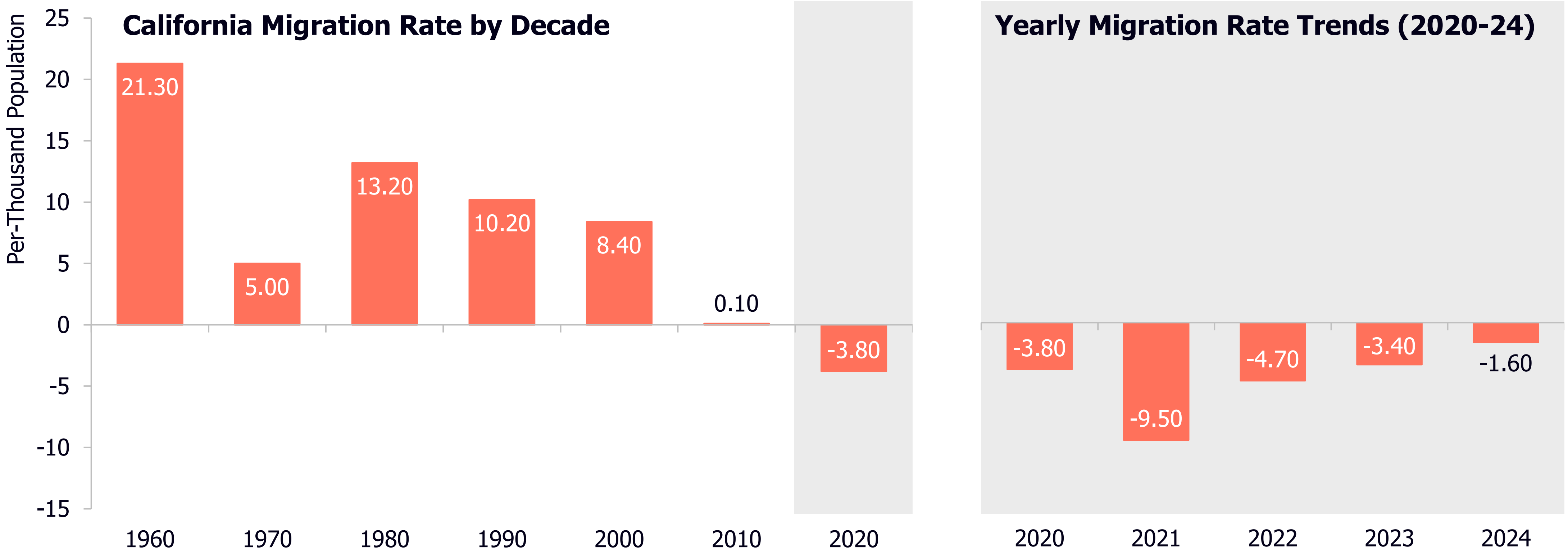
Source: California DOF.
Note: Crude rates represent the number of events per 1,000 people, calculated by dividing total events by the population and multiplying by 1,000.

Statewide Population Component Changes: Crude Death Rate



Source: California DOF.
Note: Crude rates represent the number of events per 1,000 people, calculated by dividing total events by the population and multiplying by 1,000.

Statewide Population Component Changes: Crude Migration Rate



Source: California DOF.
Note: Crude rates represent the number of events per 1,000 people, calculated by dividing total events by the population and multiplying by 1,000.

Historical TK-12 Enrollment in California Private Schools

- Private school data includes home schools that filed an affidavit; schools reporting enrollment of five or fewer students are assumed to represent home schools.

Private Schools	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Total enrollment	551,052	563,534	551,114	530,928	527,512	521,116
Total affidavits	32,204	30,390	33,367	38,124	25,614	17,714
5 or fewer enrollment	49,402	46,963	52,628	59,275	38,532	25,423
5 or fewer affidavits	29,240	27,382	30,280	34,988	22,431	14,548
6 or more enrollment	501,650	516,571	498,486	471,653	488,984	495,693
6 or more affidavits	2,964	3,008	3,087	3,136	3,183	3,166

Source: CDE.
Note: Private school data excluded in all other enrollment data.

Change of TK-12 Enrollment in California Private Schools

Private Schools	2023-24	2022-23	2021-22	2020-21	2019-20
Total enrollment Change Over PY	-12,482	12,420	20,186	3,416	6,396
Total enrollment % Change Over PY	-2.21%	2.25%	3.80%	.65%	1.23%
5 or fewer enrollment Change Over PY	2,439	-5,665	-6,647	20,743	13,109
5 or fewer enrollment % Change Over PY	5.19%	-10.76%	-11.21%	53.83%	51.56%
6 or more enrollment Change Over PY	-14,921	18,085	26,833	-17,331	-6,709
6 or more enrollment % Change Over PY	-2.89%	3.63%	5.69%	-3.54%	-1.35%

Source: CDE, FCMAT calculations.
Note: PY stands for prior year. Change reflects year-over-year difference.