

Factors and Future Projections for K–12 Declining Enrollment

Over the past five years, enrollment has declined at nearly three-quarters of California school districts, and losses are expected to continue across nearly all regions through at least the next decade.

- Counties serving higher shares of English Learner (EL), Asian, Black, and Latino students expect larger declines.
- ► The long-term trend of falling enrollment primarily reflects declining birth rates and net migration from California to other states.
- ▶ To date, most districts where enrollment falls do not close schools—but when they do, they tend to close schools with lower test scores—that also serve higher shares of low-income and EL students.

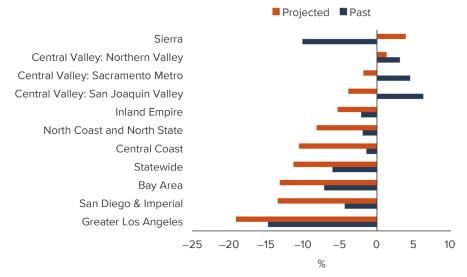
The California Department of Finance (DOF) projects enrollment to fall below 5.2 million by 2032; the federal government projects an even larger loss—below 5 million students. Projected declines would have significant implications on district finances, operations, staffing, and school facilities.

Where is enrollment declining most and which student groups are most affected?

Enrollment fell most in greater Los Angeles—by nearly 15 percent in the last decade; an additional 19 percent decline is projected by 2032–33. The Sierra region saw about a 10 percent drop, but it may see a 4 percent rise by 2032.

In the northern Central Valley, enrollment increased by about 3 percent over the past 10 years and is expected to keep increasing slightly by 1 percent in the coming ten years. Meanwhile, the Sacramento Metro region grew by over 4 percent but is projected to contract by 2 percent.

Enrollment declines are projected in all but two California regions over the next decade



Sources: California Department of Finance; authors' calculations.

Notes: Past declines from 2012–13 to 2022–23. Projected declines from 2022–23 to 2032–33. Regional changes constructed using county-level data. See Technical Appendix Table A1 for regional definitions.

The share of English Learners (EL) in a county is distinctly associated with changes to enrollment. Counties with low shares of EL students had modest declines of 1–3 percent while counties that serve larger EL populations had larger declines of up to 7 percent. In the coming decade, this gap will widen: the counties with the lowest share of EL students project modest increases of 2 percent, compared to losses of 11 percent in those counties with the highest share of EL students.

Will districts close schools because of enrollment declines?

Among districts with 10 percent or greater enrollment losses from 2009 to 2019, only one-third reduced the number of schools they operated. School closures were even less common among districts with more moderate losses.

But school closures do occur. Across the state, students in schools that closed within the last decade are more likely to have Black or low-income students and less likely to have Latino or Asian American students than the statewide average. Furthermore, in declining districts with wide socioeconomic differences, schools that closed had 14 percentage points more low-income students, 6 percentage points more EL students, and had lower test scores than the rest of the district.

What are some of the key reasons behind declining enrollment?

Recently, California's population growth has slowed and even declined in 2021 and 2022. Birth rates have plummeted—and these numbers affect the size of the kindergarten cohort five years later. As smaller cohorts work their way up through the grades, total enrollment eventually declines.

Migration patterns are also a contributing factor in enrollment declines. In recent years, more children have left for other states than have come in from other states. After a decade of near constant net loss to other states, the rate roughly doubled its pre-pandemic average in 2021—about 35,000 more children left the state in 2021 than in 2019. In past years, net international migration into California mostly or fully offset domestic migration out of California, but it has fallen in recent years.

How can the state help districts stay ahead of challenges posed by falling enrollment?

In the short-term, declining enrollment can mean more money per student for educators, student services, technology, facilities, and the like. Proposition 98 guarantees minimum funding for schools based on specific formulas; the current formula ensures schools receive a minimum share of General Fund revenue (roughly 40 percent). Thus, absent declining state revenue, lower enrollment means more dollars per student statewide. The state should consider alternative uses of any additional per-student dollars to improve and increase services, particularly for students with the greatest needs and where academic and outcome disparities are the most prominent.

For districts, declining enrollment will mean an eventual loss of funding, as they are funded based on the number of students they serve. Additional guidance from state education officials, specific assistance from county offices, and professional training for school budget officers to understand how to effectively manage declines will be key to ensuring student services and educational opportunities do not diminish. Such guidance could include when and how to reduce services—such as reducing staffing, consolidating classes, or closing school sites.

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