

FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Declining Enrollment and School Closures

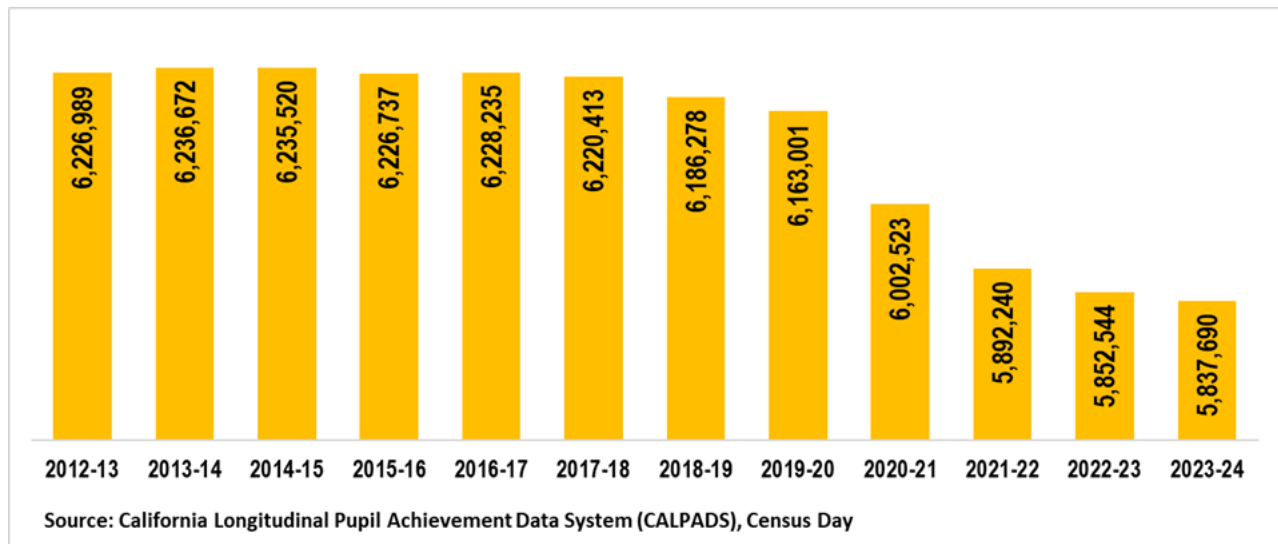
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Statewide enrollment trends continue to experience decreases in enrollment. Since 2012-13, the state has experienced a loss of almost 400,000 (roughly 6.3%) students. If current trends hold over the next ten years, a further decline of almost 620,000, or 10.7%, in total enrollment is projected. As such, many local educational agencies (LEAs) throughout the state have explored, and will likely continue to explore as student enrollment and associated funding decline, how to rightsize their LEAs to keep pace with the declines in students. The fiscal implications of not doing so could be dire.



The continued loss of students for many LEAs and accompanying future uncertainty requires consideration of long-term enrollment trends, as well as a collaborative strategic planning process to rightsize operations and avoid overstaffing. Declining enrollment impacts LEA operations, including facilities, educational programs, special student populations, and support services. Further, and maybe most immediate, LEAs that are experiencing declining enrollment and a lower average daily attendance rate are likely receiving less money than they received in prior years, even with annual cost-of-living adjustments from the state.

There are numerous strategies for addressing these challenges, along with resources for making management decisions. Addressing declining enrollment requires a multiphase approach inclusive of examination of enrollment and population trends, implementing a multiyear plan to address change, staffing management, designing school calendars to maximize attendance, and, the least popular, the consolidation and/or closure of schools.

There is no magic number of students needed to operate a school site efficiently, though the smaller the school, the higher the cost per student and the less fiscally efficiently it runs. Though staffing management will allow an LEA to keep pace with declines in enrollment, the cost of maintaining facilities is not proportionately reduced as student enrollment decreases. The cost of maintaining the grounds, for example, is not necessarily reduced when the student population is reduced. The consolidation and/or closure of schools allows savings to be utilized to maintain educational programs for students and other districtwide operations.

LEAs considering school closures and/or consolidations should review the California Department of Education (CDE) [Best Practices Guide for Potential School Closure](#). The CDE updated the guide in August 2024 to further address facilities-related issues in light of the changes to [Education Code Section \(EC §\) 41329](#), which lays out requirements that must be followed by school districts in financial distress that are considering school closures and/or consolidations. While a requirement only for financially distressed districts, the metrics included in EC § 41329, as well as the other considerations discussed in the CDE guide, are a best practice and recommended for all LEAs. The closure and/or consolidation of school sites is a process that should not be undertaken lightly, should be open and transparent, and should ultimately result in a better educational environment for all students.