

# Financial Impact of Declining Enrollment

Using the latest figures of 5,892,240 there is an estimated a \$1.4 billion loss for every one percent of kids not in school.

## California School Enrollment Decline

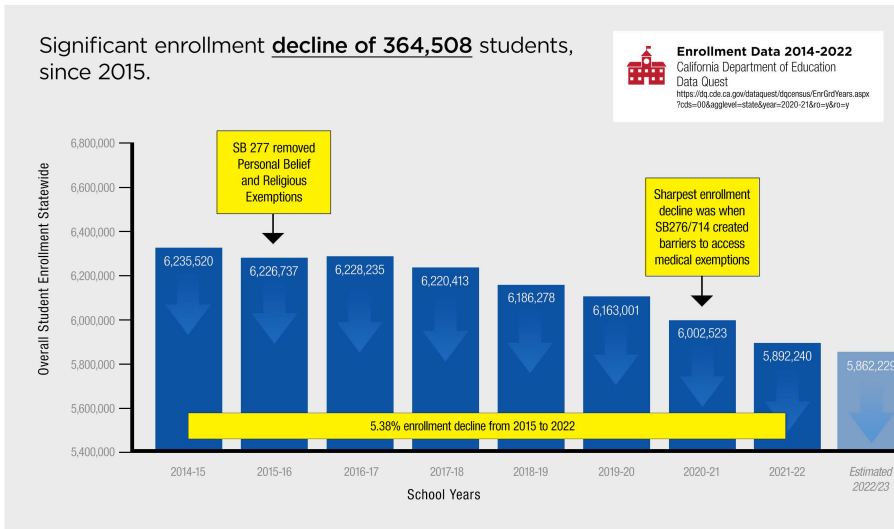


Figure 3

### Proposition 98 Key Inputs and Outcomes Under Governor's Budget

(Dollars in Millions)

	2021-22	2022-23	2023-24
<b>Minimum Guarantee</b>			
General Fund	\$83,630	\$79,103	\$79,613*
Local property tax	26,785	27,889	29,204
<b>Totals</b>	<b>\$110,415</b>	<b>\$106,991</b>	<b>\$108,816</b>
<b>Change From Prior Year</b>			
General Fund	\$13,426	-\$4,528	\$510
Percent change	19.1%	-5.4%	0.6%
Local property tax	\$916	\$1,104	\$1,315
Percent change	3.5%	4.1%	4.7%
Total guarantee	\$14,342	-\$3,424	\$1,825
Percent change	14.9%	-3.1%	1.7%
General Fund Tax Revenue <sup>b</sup>	\$219,986	\$206,469	\$205,989
<b>Growth Rates</b>			
K-12 average daily attendance	-8.9%	3.1%	-0.8%
Per capita personal income (Test 2)	5.7	7.6	2.8
Per capita General Fund (Test 3) <sup>f</sup>	19.7	-5.1	0.3
Proposition 98 Reserve			

From 2015/16 to 2022/23 Enrollment has decreased by 364,508. In 2021-22 alone, there was a decrease of more than 110,000 students. This follows a steady decline in public school enrollment statewide since 2014-15.

<https://www.cde.ca.gov/mms/ty/ty22/pr22enr01.asp>

State Enrollment - Over the next ten years, if current trends in fertility and migration hold, a further decline of 524,000 in total enrollment is projected by 2030-31. <https://hfd.ca.gov/Forecasting/Demographics/public-k-12-graded-enrollment/>

\*\*5.37195% decline from 2015 to 2022

\*\*\* Sharpest decline in enrollment was when SB 276/714 went into effect in 2020.

© 2023 Protection of the Educational Rights of Kids. All rights reserved. 03/2023 PERK-Group.com



- Extrapolating an average of a 5.38% decline into next year's enrollment is reasonable. It matches with what the LAO has for this last year which is a 8.9% drop in enrollment. <https://lao.ca.gov/Publications/Report/4670>
- While looking at population numbers in the aggregate, remember, it's the individual districts that have to make adjustments based on the number of schools they have open, at which grade levels and with whatever teachers they employ. A percentage drop in one district might mean losing a teacher while a commensurate drop might mean closing an entire school.
- The 2022-23 Enacted Budget includes total funding (federal, state, and local) for all TK-12 education programs is \$128.6 billion, with a per-pupil spending rate of \$22,893 in 2022-23. The TK-12 portion of Prop 98 funding represents TK-12 per-pupil funding of \$16,993. <https://www.cde.ca.gov/fg/fr/eb/>
- [ba2022-23.asp#:~:text=The%20total%20overall%20funding%20\(federal,of%20%2422%2C893%20in%202022%E2%80%93323](https://www.cde.ca.gov/fg/fr/eb/ba2022-23.asp#:~:text=The%20total%20overall%20funding%20(federal,of%20%2422%2C893%20in%202022%E2%80%93323)
- The proposed 2023-24 January 10th Budget includes total funding of \$128.5 billion (\$78.7 billion General Fund and \$49.8 billion other funds) for all K-12 education programs. K-12 per-pupil funding totals \$17,519 Proposition 98 General Fund—its highest level ever—and \$23,723 per pupil when accounting for all funding sources. <https://ebudget.ca.gov/2023-24/pdf/BudgetSummary/K-12Education.pdf> That figure is different from district to district. i.e. LAUSD enrollment declines have been very dramatic and they're spending \$30,514 per student. Other districts will be in the high teens.
- Using the latest figures of 5,892,240 and the fact that the new state budget is estimated to be just under \$24k per pupil total spending, there would be about a \$1.4 billion loss for every one percent of kids not in school.