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Declining Enrollment

Trends and Challenges in San Diego County

Prepared by Victoria Carreón

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Business Services Division

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Executive Summary

This is the fourth annual report by the San Diego County Office of Education on declining enrollment trends. Many school districts throughout San Diego County are facing declining enrollment, which has a negative impact on revenue. However, total county enrollment has increased slightly for the last three years. This report provides updated data and aims to answer the following key questions:

• How have population indicators that contribute to declining enrollment changed over time?
• How do San Diego’s population and enrollment trends compare with the rest of California?
• What economic indicators may be contributing to declining enrollment?
• What has been the trend in the number of districts facing declining enrollment?
• Which regions of the county have been hardest hit by declining enrollment?
• Where has declining enrollment been going on for the longest time, where have the largest declines occurred, and where has growth occurred in the last three years?
• What has been the impact of charter schools on school district enrollment?
• Will San Diego County face declining enrollment in the future and what will be the trends for elementary schools versus high schools?

This report finds that San Diego’s population trends are generally similar to statewide trends. San Diego’s declining enrollment has been due to a combination of factors such as a decrease in the number of births, decreasing immigration rates, migration out of San Diego, and high housing prices. The last few years are emblematic of the weak economy. Housing prices have been falling and San Diego County’s unemployment rate has been increasing. Some factors such as births, immigration and domestic migration had been increasing in recent years but all these indicators fell in 2009.

Total enrollment in San Diego has been growing annually since 2007-08. However, trends have been different for school districts and charter schools. School district enrollment decreased from 2003-04 through 2009-10 while charter school enrollment increased annually through 2009-10. The number of school districts experiencing declining enrollment reached a high of 31 districts in 2005-06 and declined to 22 districts in 2009-10. While all regions of the County have been affected by declining enrollment, the longest periods of decline have been in the central, east, and north inland areas of the County. The largest average decline over the past five years has been in the east and north inland areas while enrollment growth over the past three years has been concentrated in the north. In addition, the percentage change in enrollment for districts that sponsor charter schools has generally been lower than for districts that do not sponsor charter schools, but this trend did not hold in 2009.

The California Department of Finance projects that total enrollment in San Diego County will continue to grow slightly each year from 2010-11 through 2019-20, except for 2014-15. However, recovery from declining enrollment is projected to be slower in San Diego than statewide. In addition, high school enrollment is projected to decline through 2016-17 while elementary school enrollment is projected to grow through 2018-19.
General Population Trends

Comparing San Diego to California
1993 through 2010

Sources: California Department of Finance
RE Report, San Diego County California
California Employment Development Department
Overview of State and County Demographic Trends

To help understand the reasons for declining enrollment in San Diego County, it is important to review overall state and county demographic trends. Because the senior class of 2011 was born from 1993 to 1994, this section of the report utilizes data beginning in 1993, where available, to provide a historical picture and to understand implications for the future. All of the population data in this section comes from the California Department of Finance. Housing data comes from the RE Report and Unemployment data comes from the California Employment Development Department.

Total Population

The overall population for California and San Diego County have both increased annually from 1993 to 2009 as shown in Figure 1. The rate of increase has varied, with the highest increases in the early 2000s. Figure 2 on the following page shows that San Diego County has followed the trend of the state as a whole, but changes are generally more pronounced in San Diego County. When the statewide growth rate has been increasing, the rate in San Diego has generally surpassed the state growth rate. Similarly, when the statewide growth rate has been decreasing, the rate in San Diego has been generally lower than the statewide growth rate.

Figure 1: California and San Diego Population Have Both Grown Over Time

Source: California Department of Finance
Figure 2: San Diego Population Trend More Pronounced than Statewide Trend

Births

The number of annual births tends to be cyclical. On the following page, Figure 3 shows that births were highest in both California and San Diego County in 1993 and then began declining. Births in 1993 represent a portion of the Senior class for the 2010-11 school year. As these students exit the school system, there will be smaller cohorts taking their place. Statewide, births declined through 1999, and then gradually increased from 2000 through 2008. However, births declined again in 2009. Even after several years of increases, the number of births in 2009 was still 40,363 less than the peak in 1993.

In San Diego County, births increased in 1999 and 2000 but then declined again in 2001 and 2002. The number of births increased from 2003 to 2008 but decreased again in 2009. The children born in 2003 represent the kindergarten class that entered the school system in fall 2008. While this trend of increasing births could help ameliorate the declining enrollment trend in the future, births in San Diego County in 2009 were still 2,790 less than the 1993 peak.

Figure 4 on the following page shows the trend in birth rates (total births divided by total population). The birth rates for both California and San Diego decreased from 1993 to 2002, leveled out from 2003 to 2008 but then decreased again in 2009. This figure also shows that San Diego’s birth rates track very closely with statewide birth rates.

Source: California Department of Finance
Figure 3: 2009 Ended Recent Trend in Increasing Births

Figure 4: Birth Rates Were Stable in Recent Years, Until 2009 Decline

Source: California Department of Finance
**Immigration Trends**

The annual number of immigrants coming to California from foreign countries is dependent on many factors such as the global and national economy, political situations in other countries, state policies, and federal policies. Figure 5 shows annual immigration into California and San Diego County from 1993 through 2009. This figure shows that immigration peaked in 2001 for both San Diego and California and then declined. Immigration began to increase statewide in 2006 but declined again in 2009. Figure 6 on the following page shows the annual percentage change in immigration. This figure illustrates that San Diego has generally followed the state trend.

**Domestic Migration**

Domestic Migration measures the net number of people who have moved into an area from other states or from other places in California. Figure 7 on the following page shows domestic migration into San Diego County. As the figure shows, domestic migration has been cyclical. From 1997 through 2003, there was a net increase in population through domestic migration while from 2004 through 2007, there was a net outflow of people from San Diego County. The last two years provide a mixed message, with an increase in domestic migration in 2008 and a decrease in 2009. This fluctuation may be due to a variety of economic factors including high housing prices and increasing unemployment, which will be discussed in the next section.

**Figure 5: Annual Immigration Has Been Cyclical, With A Sharp Decrease in 2009**

![Graph showing annual immigration into California and San Diego County from 1993 through 2009](source: California Department of Finance)
Figure 6: San Diego Generally Follows Statewide Immigration Trend

Figure 7: Domestic Migration into San Diego Is Likely Tied to Economic Factors

Source: California Department of Finance
Other Economic Factors Affecting Enrollment

Population and enrollment trends are also influenced by a variety of economic factors, including home prices and unemployment rates. Figure 8 shows the trend in median single family home and condominium prices from 1998 through 2010. The median price of a single family home increased rapidly through 2005, then leveled off in 2006. In 2007, single family home prices began to fall sharply but have begun to recover in 2010. Condominium prices began to fall in 2006 but also increased slightly in 2010. The cost of housing in San Diego County can play a significant role in the decision of families with school-age children to move in or stay in San Diego County.

Another key factor affecting enrollment is unemployment rates. Figure 9 on the following page shows the unemployment rate for San Diego County compared to California as a whole from 1993 through 2010. The unemployment rate for San Diego has consistently been lower than the statewide unemployment rate over this time period. However, unemployment sharply increased in 2008 and 2009 and continued to increase at a slower rate in 2010.

Over the last five years, the largest growth industries in San Diego County have been Nursing and Residential Care Facilities; Ambulatory Health Care Services; Administrative and Support Services; Health Care and Social Assistance; and Educational and Health Services. Industries losing the most jobs over this time period were Private Services; Goods Production; Construction; Trade, Transportation and Utilities; and Specialty Trade Contractors.

Taking all of these economic factors into account, San Diego may have a more favorable job market than other areas in California, but unemployment remains high and housing prices may still be too high for families to relocate or remain in San Diego County.

Figure 8: San Diego Median Home Prices Have Begun to Recover from Sharp Decline

![Graph showing median home prices from 1998 to 2010. Median prices for single family homes and condominiums are tracked.](Source: RE Report)
Figure 9: San Diego Consistently Has Lower Unemployment Rates Than Statewide But Rate Has Been Increasing since 2008

Source: California Employment Development Department
San Diego County Office of Education

San Diego County School Enrollment Trends

1994-95 through 2009-10
Projections through 2019-20

Sources: California Department of Education
California Department of Finance
Overall Enrollment Trends

Figure 10 shows countywide enrollment from 1994-95 through 2009-10. Total enrollment in San Diego County peaked in 2002-03, declined from 2003-04 to 2006-07 and has been increasing slightly since 2007-08. Figure 10 illustrates that the trends have been different for school districts and charter schools. Charter school enrollment has grown annually since 1995-96. In contrast, school district enrollment has declined annually from 2003-04 to 2009-10, even though countywide enrollment has been gradually increasing annually since 2007-08. It is important to note that not every school district has been experiencing the same trends. Regional differences and trends will be discussed later in this report.

Figure 10: School District Enrollment Decreased from 2003-04 to 2009-10 While Charter Enrollment Has Been Growing since 1995-96

Source: California Department of Education

Figure 11 on the next page shows the annual percentage change in district, charter, and countywide enrollment. The growth rate for school districts decreased annually from 1998-99 to 2005-06 and has been negative since 2003-04. While the growth rate remains negative, the decline began to slow in 2006-07. In contrast, charter schools have been growing at varying rates over this time period. The highest percentage increase was 41% in 1998-99, when Helix High School in the Grossmont Union High School District converted to a charter school. In contrast, the growth rates in the last two years represent the slowest growth rates for charter schools, with 2.98% in 2008-09 and 3.12% in 2009-10.
Figure 11: Charter Enrollment Has Been Growing at Varying Rates While Decline for Districts Has Slowed in Recent Years

Source: California Department of Education

Number of Districts with Declining Enrollment

Figure 12 shows the number of school districts that have experienced declining enrollment on an annual basis from 1995-96 through 2009-10. The number of districts was fairly steady from 1999-00 through 2002-03. Beginning in 2003-04, the number of districts with declining enrollment began to grow significantly. In 2005-06, the number reached a high of 31 districts, which represents 72% of San Diego school districts. Since then, the number has been decreasing. In 2009-10, 22 districts faced declining enrollment, which is still represents more than 50% of San Diego’s school districts.

Figure 12: Number of Districts Facing Declining Enrollment is Decreasing

Source: California Department of Education
Regional Impact of Declining Enrollment

Declining enrollment has affected all regions of San Diego County. Figure 13 divides the County into four regions: East County, North Coastal, South County, and North Inland. The boundaries for these regions are generally the same as the Special Education Local Planning Area (SELPA) boundaries. San Diego Unified is included in the Southern Region and Poway Unified is included in North Inland. Figure 14 illustrates that all regions have experienced a decline in the enrollment growth rate but the growth rate has been improving in the last four years. North County has traditionally been least affected by declining enrollment but had the largest decline among the regions in 2009-10. East County has been most affected but had a positive growth rate in 2009-10 for the first time since 1997-98.

Figure 13: Map of Regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>East County</td>
<td>Red</td>
</tr>
<tr>
<td>North Coastal</td>
<td>White</td>
</tr>
<tr>
<td>South County</td>
<td>Yellow</td>
</tr>
<tr>
<td>North Inland</td>
<td>Blue</td>
</tr>
</tbody>
</table>

Figure 14: School District Enrollment Has Declined in All Regions

Source: California Department of Education
Declining Enrollment by Trustee Area

Figure 15 is a map of the five trustee areas for the San Diego County Office of Education. As the map shows, some school districts are in more than one trustee area. The enrollment trends for each trustee area are shown in Figure 16. As the figure shows, there have been similar trends across all trustee areas. The declining enrollment trend was most pronounced in the First District, which had the steepest decline from 2001-02 through 2005-06. All districts experienced a slight decline in 2009-10, but the First District and Fifth District experienced some increase in 2007-08 and 2008-09.

Figure 15: San Diego County Office of Education Trustee Areas

![Map of San Diego County Office of Education Trustee Areas](image)

Figure 16: Trends are Similar by Trustee Area

![Graph showing enrollment trends by trustee area](image)

Source: California Department of Education
Longest Decline Has Been in Central, East and North Inland Areas

A pictorial view of the regional impact of declining enrollment can be seen on the maps on the next few pages. Figures 17A and 17B on page 15 show the length of time that school districts have faced declining enrollment. Twenty four school districts have been declining for 5 or more years out of the last 10 years. The maps also show that school districts in the central, east, and north inland areas have generally been declining for the longest period of time. As Figure 17B shows, high school districts have not generally faced declining enrollment as long as the elementary districts in the same geographic area. The exception is Julian Union High, which has been declining longer than its feeder elementary districts.

Largest Decline has been in East and North Inland Areas

Figures 18A and 18B on page 16 show the average percentage change in enrollment for each school district over the last five years. A total of 29 school districts have faced an average enrollment decline over the past five years. The districts with the largest percentage decline are located mostly in the eastern and north inland areas of the County. The areas least affected are in the north and south where there has been continued housing growth over the last few years. As Figure 18B shows, the magnitude of declining enrollment has not generally been as large in high school districts as in elementary and unified school districts, with the exception of Julian Union High.

Districts with Largest Decline have also Faced Long Decline

Figure 19 below shows the interrelationship between the districts that have had the largest average enrollment decline over the past five years and the number of years those districts have declined over the past 10 years. As the figure illustrates, with the exception of Vallecitos, those districts with the largest average enrollment decline have also faced a significant number of years of declining enrollment.

Figure 19: Relationship Between Districts with the Largest Decline and the Length of Decline

<table>
<thead>
<tr>
<th>Districts with Largest Average Decline over 5 Years</th>
<th>Number of Years of Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Warner Unified</td>
<td>7 Years</td>
</tr>
<tr>
<td>2. Julian Union High</td>
<td>8 Years</td>
</tr>
<tr>
<td>3. Jamul-Dulzura</td>
<td>7 Years</td>
</tr>
<tr>
<td>4. Rancho Santa Fe</td>
<td>6 Years</td>
</tr>
<tr>
<td>5. Alpine</td>
<td>8 Years</td>
</tr>
<tr>
<td>6. South Bay</td>
<td>9 Years</td>
</tr>
<tr>
<td>7. Vallecitos</td>
<td>4 Years</td>
</tr>
<tr>
<td>8. Dehesa</td>
<td>7 Years</td>
</tr>
<tr>
<td>9. Ramona</td>
<td>7 Years</td>
</tr>
<tr>
<td>10. La Mesa-Spring Valley</td>
<td>9 Years</td>
</tr>
</tbody>
</table>

Source: California Department of Education
Figure 17A: Number of Years of Enrollment Decline over Last 10 Years:
Elementary and Unified School Districts

Figure 17B: Number of Years of Enrollment Decline over Last 10 Years:
High School Districts

Category | Color
--- | ---
No Decline | White
1 to 2 Years | Green
3 to 4 Years | Blue
5 to 6 Years | Yellow
7 to 10 Years | Red

Source: California Department of Education
Figure 18A: Average Percentage Change in Enrollment Over Last 5 Years: Elementary and Unified School Districts

Figure 18B: Average Percentage Change in Enrollment Over Last 5 Years: High School Districts

<table>
<thead>
<tr>
<th>Avg. Decline</th>
<th>Color</th>
</tr>
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<tbody>
<tr>
<td>No Decline</td>
<td>White</td>
</tr>
<tr>
<td>0%-.9%</td>
<td>Green</td>
</tr>
<tr>
<td>1%-1.9%</td>
<td>Blue</td>
</tr>
<tr>
<td>2%-2.9%</td>
<td>Yellow</td>
</tr>
<tr>
<td>3% or more</td>
<td>Red</td>
</tr>
</tbody>
</table>

Source: California Department of Education
Which Elementary Districts Have Experienced Enrollment Growth Over the Past Three Years?

As discussed earlier, enrollment for the entire county has grown annually since 2007-08. A total of 14 school districts had positive enrollment growth when averaged over the last three years. For districts with enrollment growth, the rate has varied from 0.1% to 5.9%. While the remaining districts continued to have declining enrollment, the rate of decline generally lessened during this period. As the map in Figure 20A below shows, the districts with enrollment growth have been concentrated in the northern areas of San Diego County and Chula Vista in the south. In contrast, a few districts scattered throughout the county continued to experience sharp enrollment reductions over the last three years.

Figure 20A: Positive Enrollment Trends in the Last Three Years- Elementary Districts

<table>
<thead>
<tr>
<th>Avg. Decline</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Decline</td>
<td>White</td>
</tr>
<tr>
<td>0%–.9%</td>
<td>Green</td>
</tr>
<tr>
<td>1%–1.9%</td>
<td>Blue</td>
</tr>
<tr>
<td>2%–2.9%</td>
<td>Yellow</td>
</tr>
<tr>
<td>3% or more</td>
<td>Red</td>
</tr>
</tbody>
</table>
Which High School Districts Have Experienced Enrollment Growth Over the Past Three Years?

For high school districts, Figure 20B shows that Sweetwater Union High School District and San Dieguito Union High School District experienced enrollment growth when averaged over the last three years. Julian Union High faced the steepest decline, while the other high school districts faced more moderate decline. The enrollment reduction in Grossmont Union High School District occurred mainly because of the conversion of Steele Canyon to a Charter School in 2007-08 but the district had enrollment growth over the next two years.

**Figure 20B: Enrollment Trends in the Last Three Years for High School Districts**

<table>
<thead>
<tr>
<th>Avg. Decline</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Decline</td>
<td>White</td>
</tr>
<tr>
<td>0%-.9%</td>
<td>Green</td>
</tr>
<tr>
<td>1%-1.9%</td>
<td>Blue</td>
</tr>
<tr>
<td>2%-2.9%</td>
<td>Yellow</td>
</tr>
<tr>
<td>3% or more</td>
<td>Red</td>
</tr>
</tbody>
</table>
Do Charter Schools Contribute to Declining Enrollment for Sponsoring Districts?

Because charter schools have grown so significantly in San Diego County since the 1990s, it is important to explore the degree that charter schools have contributed to declining enrollment for sponsoring districts. Figure 21 removes all charter enrollment and compares the percentage change in enrollment for districts that sponsored charter schools in a particular year to all districts in that year. This figure shows that the percentage change for districts sponsoring charter schools has generally been lower than the percentage change for districts that have not sponsored charter schools. However, this rule did not hold true in 2009-10 when districts with charters grew slightly while districts as a whole declined slightly.

Some charter schools converted from a regular school of the district to a charter school. This has occurred primarily in San Diego Unified and Grossmont Union High School District. In these cases, it is clear that the charter school drew from the district’s attendance areas.

However, a deeper look at specific school districts sponsoring charter schools reveals that charter schools may not be the primary reason for declining enrollment for many sponsoring school districts. First, some charter schools draw from all around San Diego County and neighboring counties, so the students enrolling in a charter school may not live in the sponsoring district. In other cases, small school districts with declining enrollment have sponsored charters that are much larger than the host district. This includes Spencer Valley, Dehesa, Julian Union, and Julian Union High.

The district where charter enrollment has most likely contributed significantly to declining enrollment is San Diego Unified, where charter enrollment has grown from 2,824 in 1994-95 to 14,199 in 2009-10. In contrast, non-charter enrollment peaked in 1999-00 at 134,685 and was 117,218 in 2009-10.

**Figure 21: Percentage Change in Enrollment Has Generally Been Lower for Districts Sponsoring Charter Schools**

Source: California Department of Education
A Look Towards the Future

The California Department of Finance has created enrollment projections for California public schools for the period of 2010-11 through 2019-20. As shown in Figure 22, these projections show that enrollment in both California and San Diego is projected to grow slowly each year except for 2014-15.

Figure 23 shows that the recovery from declining enrollment is projected to generally be slower in San Diego than statewide. In 2012-13 and 2013-14, San Diego’s growth rate is projected to slightly exceed the statewide rate. In 2014-15, both California and San Diego are projected to have a negative growth rate of -0.06% to -0.07%. However, beginning in 2015-16, San Diego’s growth rate is projected to lag behind the statewide growth rate, with the gap widening each year.

Figure 22: Enrollment Projections Show Slow Growth in California and San Diego for all Years Except 2014-15

Figure 23: Recovery from Declining Enrollment Projected to be Generally Slower in San Diego than Statewide

Source: California Department of Finance
Differential Future Trends for Elementary and High Schools

A more detailed look at the Department of Finance’s enrollment projections shows different trends for San Diego County elementary schools (Grades K-8) and high schools (Grades 9-12). Figure 24 shows that high school enrollment is projected to decline through 2016-17 before beginning to increase slightly in 2017-18. In contrast, elementary school enrollment is projected to grow from 2010-11 through 2018-19 and then decline slightly in 2019-20.

Figure 25 illustrates the projected percentage change for grades K-8 and 9-12. This chart shows that the growth rate for elementary schools is projected to increase through 2012-13 but then begin decreasing in 2013-14. In contrast, the growth rate for high schools will continue decreasing until 2011-12 before beginning to improve in 2012-13.

Figure 24: San Diego High School Enrollment Projected to Decline through 2016-17, Elementary Enrollment Projected to Continue Growing through 2018-19

![Graph showing high school enrollment declining through 2016-17 and increasing slightly in 2017-18, while elementary enrollment is growing through 2018-19 and then declining slightly in 2019-20.]

Figure 25: High School Percentage Change Projected to Begin Increasing in 2012-13, Elementary Percentage Change Projected to Begin Decreasing in 2013-14

![Graph showing high school percentage change decreasing until 2011-12 before improving in 2012-13, while elementary percentage change is growing through 2012-13 and then decreasing.]

Source: California Department of Finance
San Diego Enrollment Forecast Compared to Other California Counties

Figure 26 below shows how the enrollment forecast for San Diego compares to the rest of the state for 2008 through 2019. Most areas in the state are projected to experience enrollment increases over this time period. However, the populous areas of Los Angeles and Orange County are projected to decline while the strongest growth rates are in inland areas.

Figure 26: California Enrollment Projections from 2008 to 2019

Source: California Department of Finance
Conclusion: Has San Diego Turned the Corner?

Population Trends

This report explores declining enrollment trends in San Diego County and California. The report examines general population statistics, such as birth rates and immigration as well as economic factors that may contribute to declining enrollment. In recent years, the number of births had been increasing but high housing prices made it difficult for families with school-age children to remain in San Diego. With the economic downturn beginning in 2007-08, housing prices have fallen and the unemployment rate has risen. In 2009, births, immigration, and domestic migration all decreased, showing the impact of the weak economy. The length and severity of the economic downturn will likely have a significant impact on enrollment in San Diego school districts.

Past Enrollment Trends

The report also delves into past enrollment trends within San Diego County. Enrollment for school districts declined countywide from 2003-04 through 2007-08, with a growth rate ranging from -0.34% to -1.62%. In 2009-10, 22 out of 43 school districts in San Diego County were experiencing declining enrollment. The areas hardest hit by declining enrollment have been in the central, east, and north inland regions. In contrast, enrollment at charter schools has grown over the same time period.

Enrollment Projections

Projections by the California Department of Finance show that San Diego County’s enrollment is projected to grow each year from 2010-11 through 2019-20 except for 2014-15. However, the annual rate of enrollment growth is projected to be very minimal, ranging from 0.08% to 0.39%. This small level of enrollment growth will not likely be sufficient to make up for the losses suffered in previous years. In addition the projection for elementary and high schools is very different. While elementary enrollment is projected to grow slowly through 2018-19, high school enrollment is projected to continue declining through 2016-17.

With three years of enrollment growth and projections of continued growth, this report asks whether San Diego County has turned the corner on declining enrollment. As evidenced by trends over the past three years, circumstances are specific to each school district, with some districts showing clear trends of enrollment growth and others still facing decreases.

Financial Implications

The demographic and economic trends discussed in this report pose significant challenges for school districts in San Diego County. As discussed, trends vary by district and grade level. Continued declining enrollment or minimal increases in enrollment will continue to place a financial strain on school districts, especially during a time when there may be state budget reductions. The principal source of general purpose revenue, the Revenue Limit, is driven by student counts. As enrollment declines, revenues fall more quickly than expenditures, which can create a structural deficit. Faced with the prospect of continued declining enrollment or minimal increases in enrollment, school districts will need to take strategic steps to keep expenditures in line with revenues while still maintaining a quality academic program for students.