

# Declining enrollment

The impact on schools and how the state and districts can respond

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2024 WASBO Spring Conference

May 16, 2024

# Declining enrollment

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The impact on schools and how the state and districts can respond

## Enrollment trends and projections

What are the demographic patterns, K-12 enrollment trends, and projected impacts on school enrollment in Wisconsin?

## Implications of declining enrollment

What are the short- and long-term impacts of ongoing enrollment declines in Wisconsin?

## Wisconsin in national context

How do WI trends compare nationally and to other states?

## State and local policy implications

How have enrollment challenges been addressed in WI and in other states? What policy options should state and local leaders leverage?

## Wrap-up | Questions | Discussion

What does all of this mean for your district? How should it shape advocacy strategies for public education now?

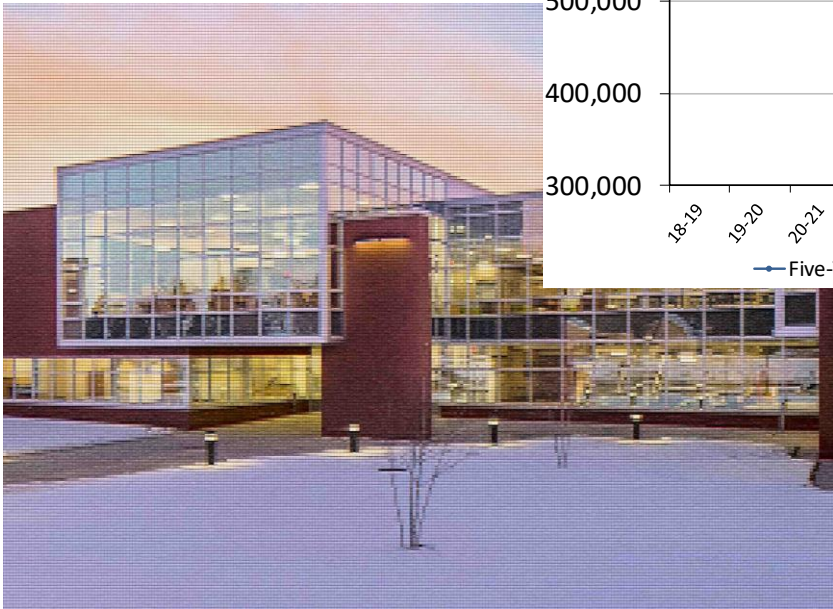


## **Enrollment trends and projections**

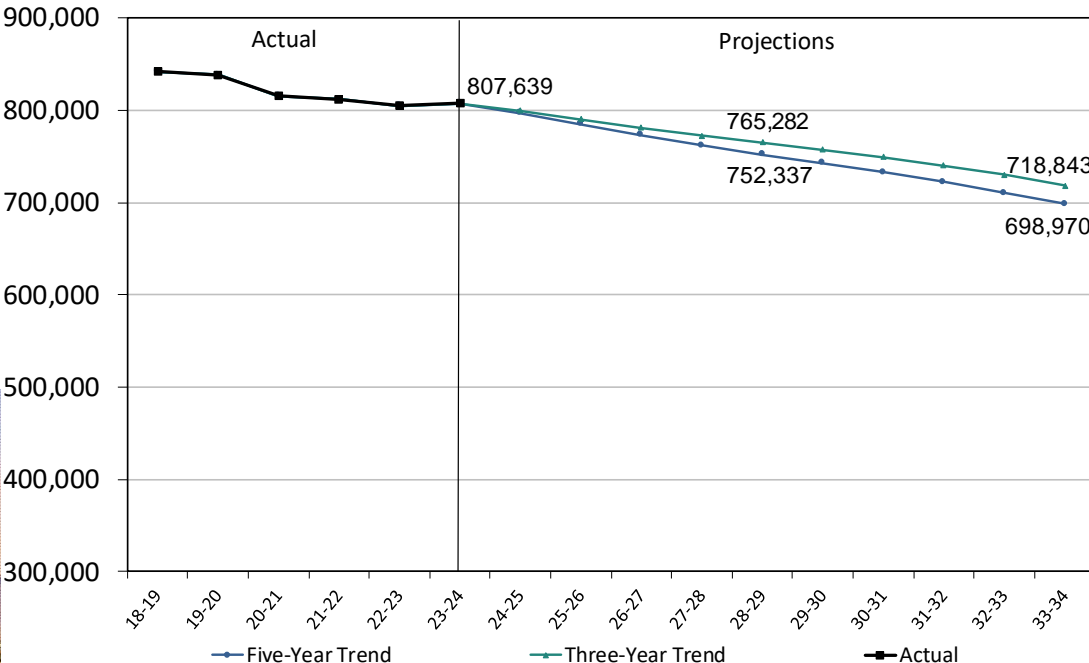
What are the demographic patterns, K-12 enrollment trends, and projected impacts on school enrollment in Wisconsin?

# Declining Enrollment: Wisconsin Demographics, School Enrollment, and Statewide Projections

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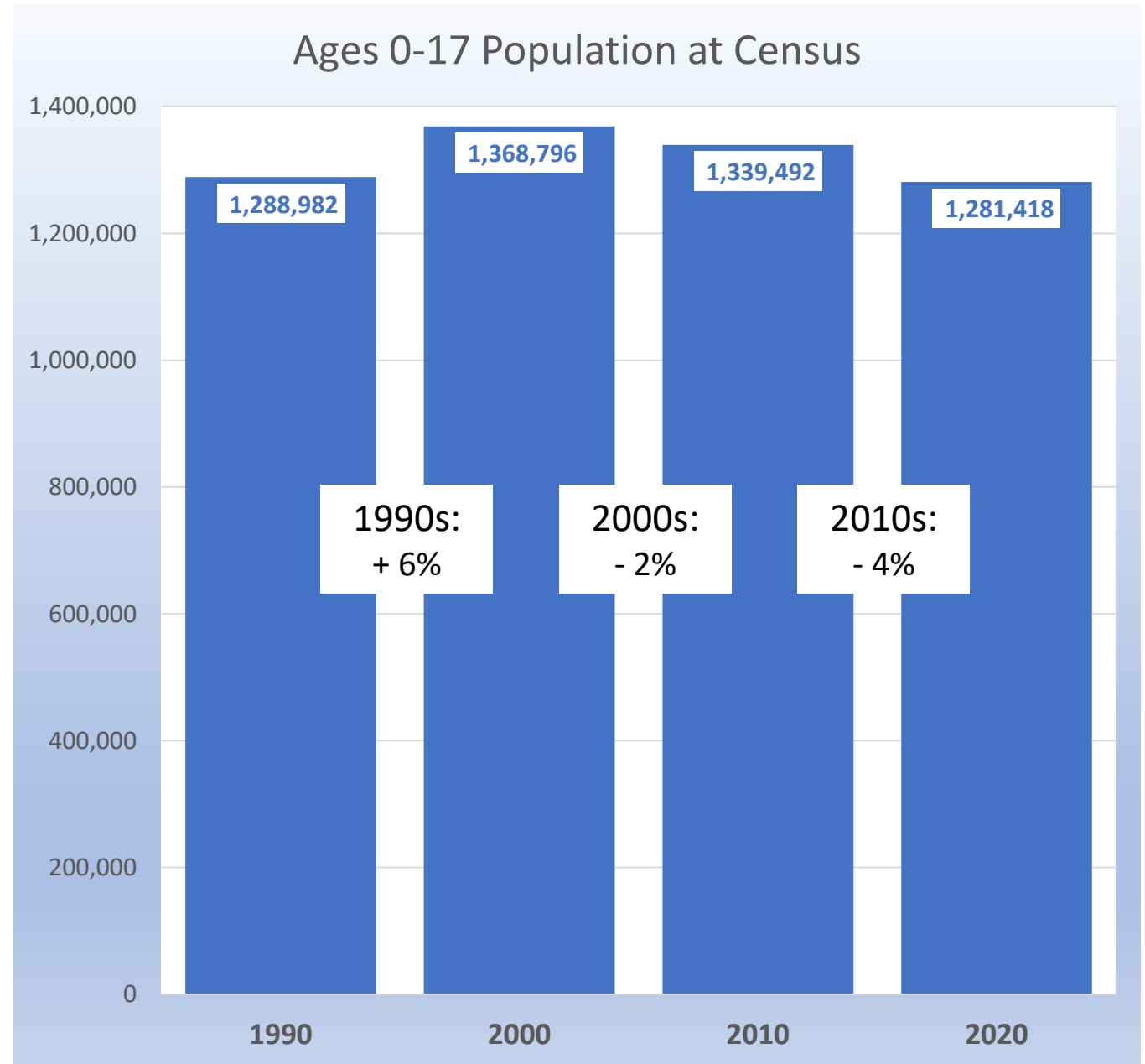
Statewide 4K-12 Students



# Wisconsin Demographics

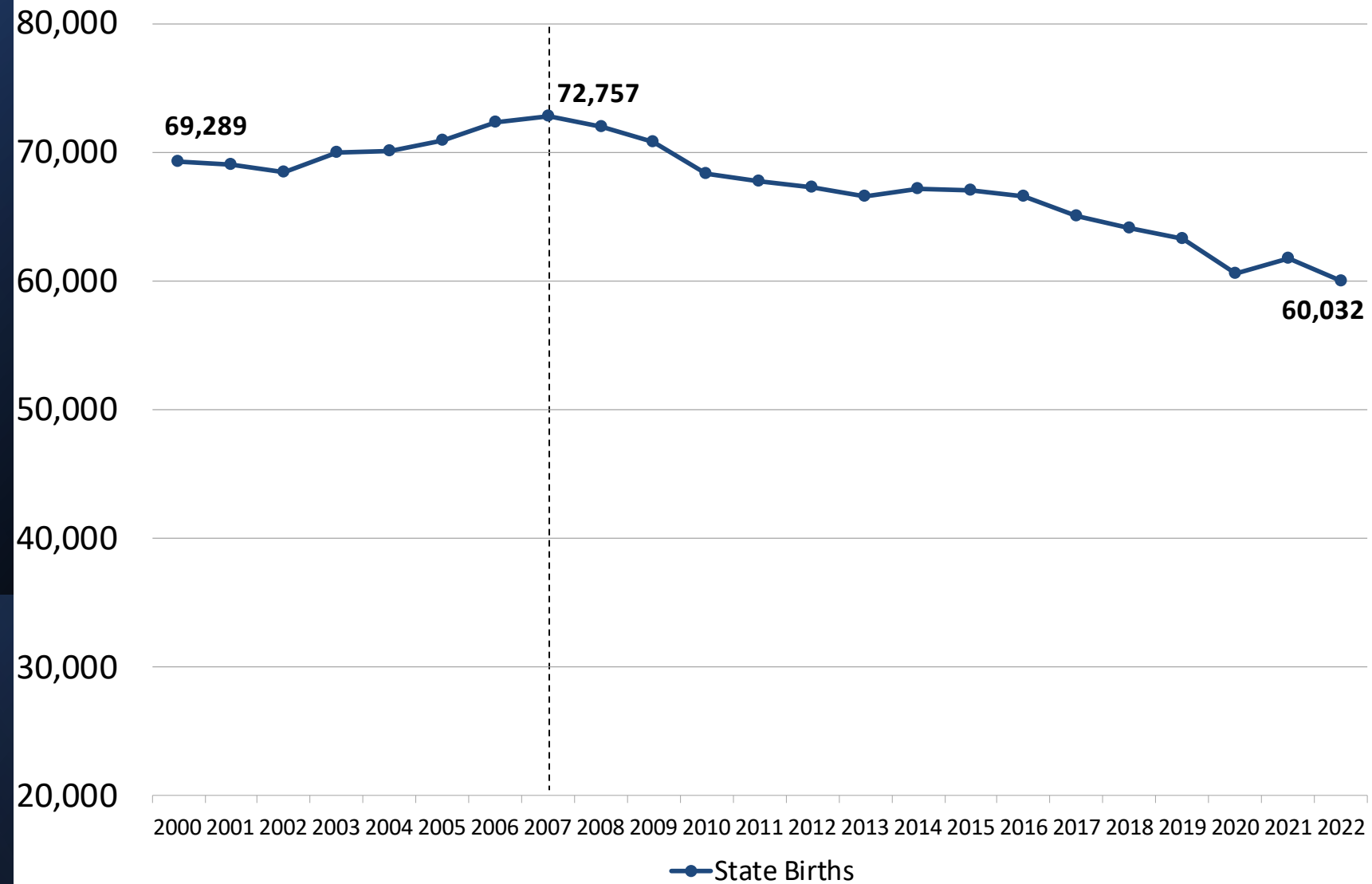


# Youth Population 1990-2020



Source: U.S. Census

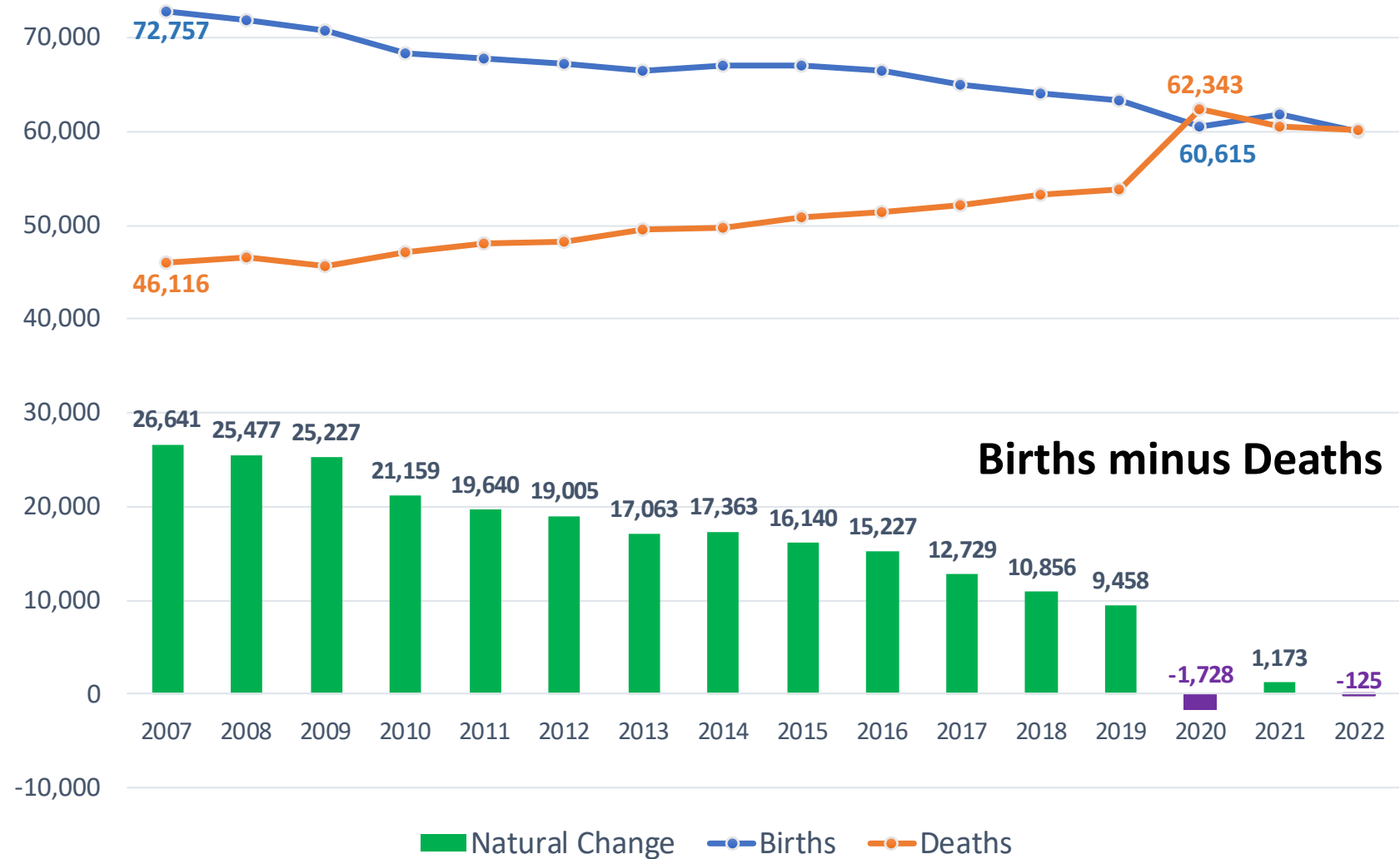
# Births 2000-2022



Source: Department of Health Services



# Natural Change 2007-2022

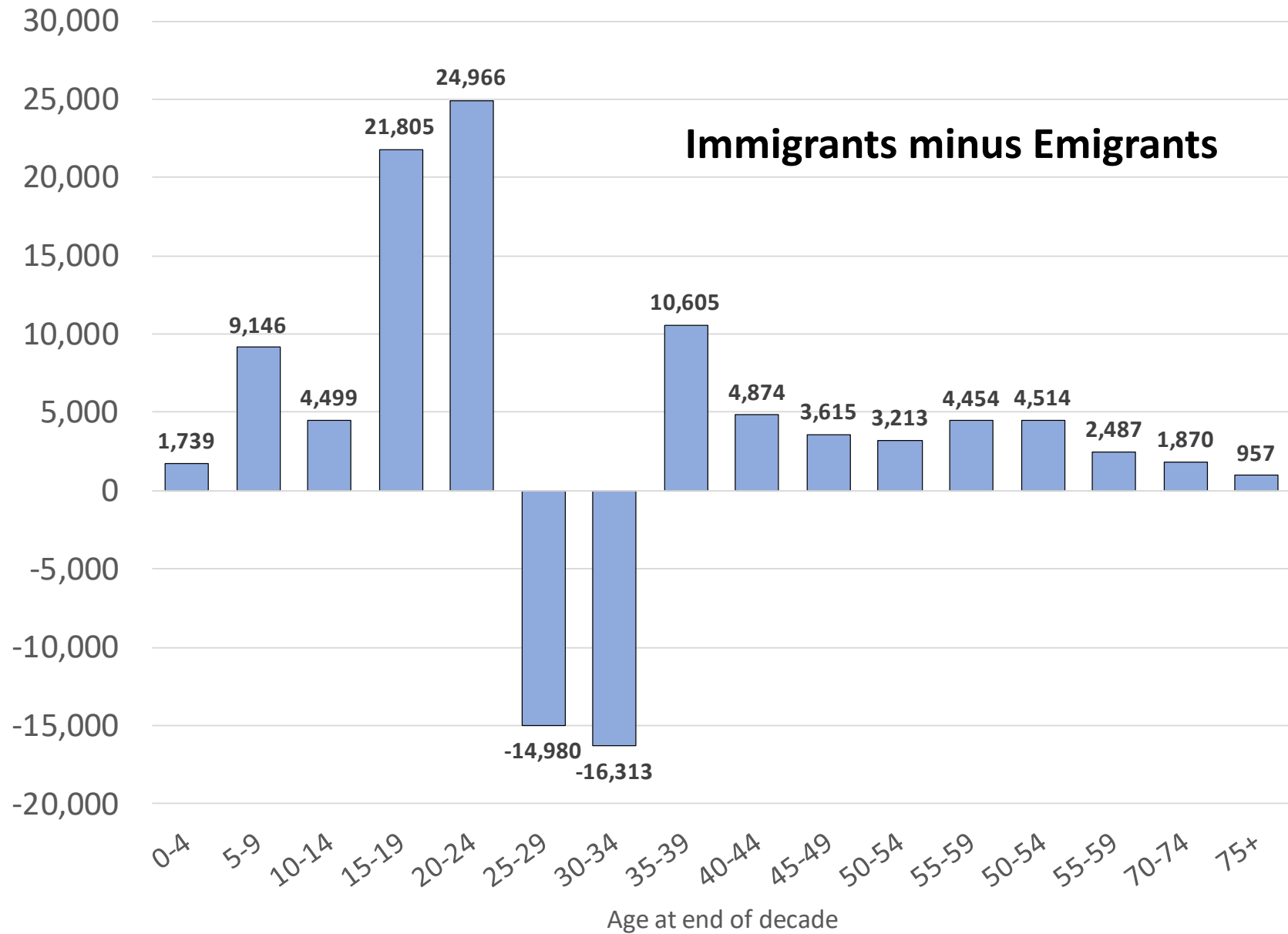


Source: Department of Health Services





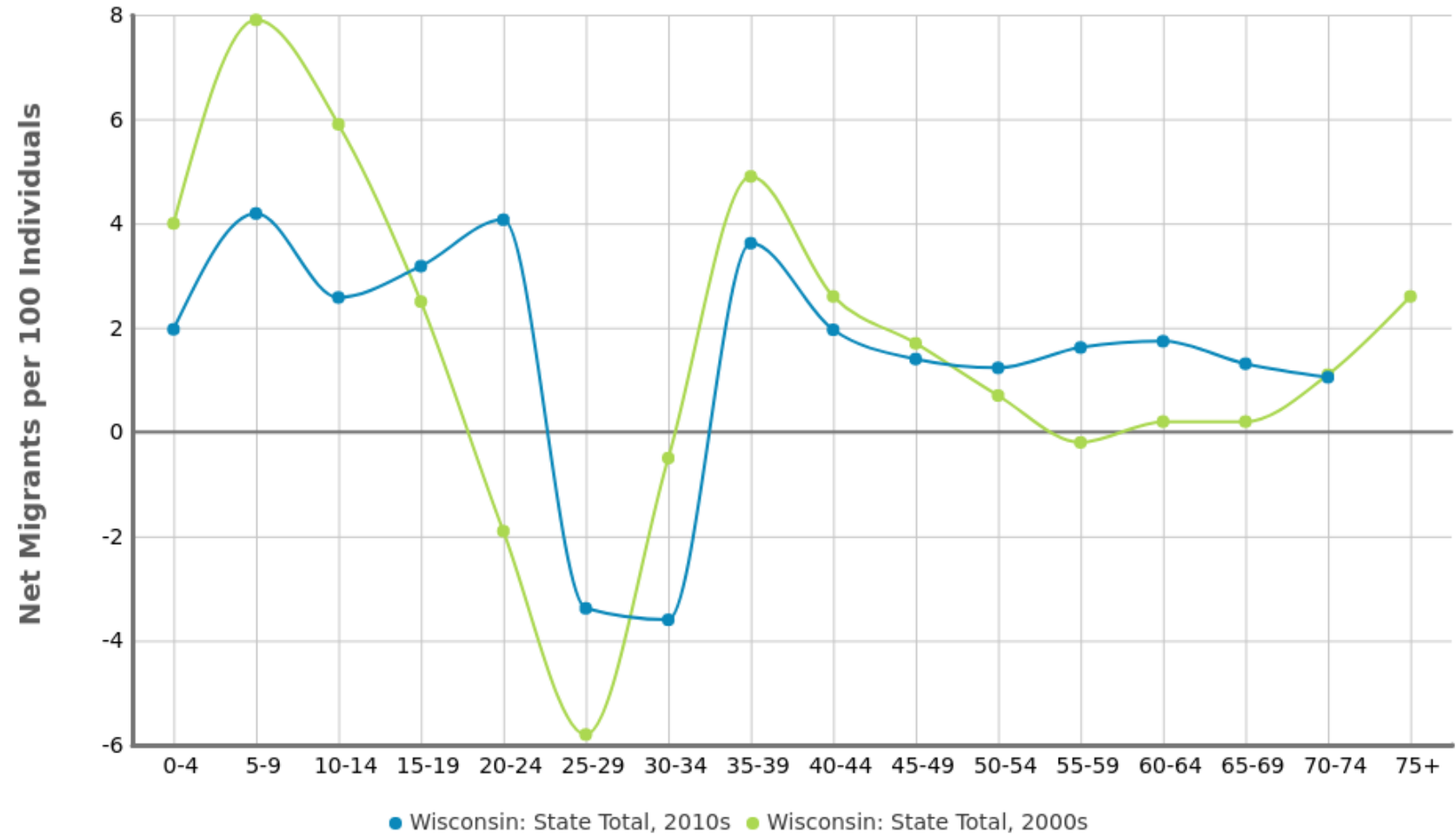
# Net Migration 2010s



Source: APL Net Migration Project

# Net Migration 2000s & 2010s

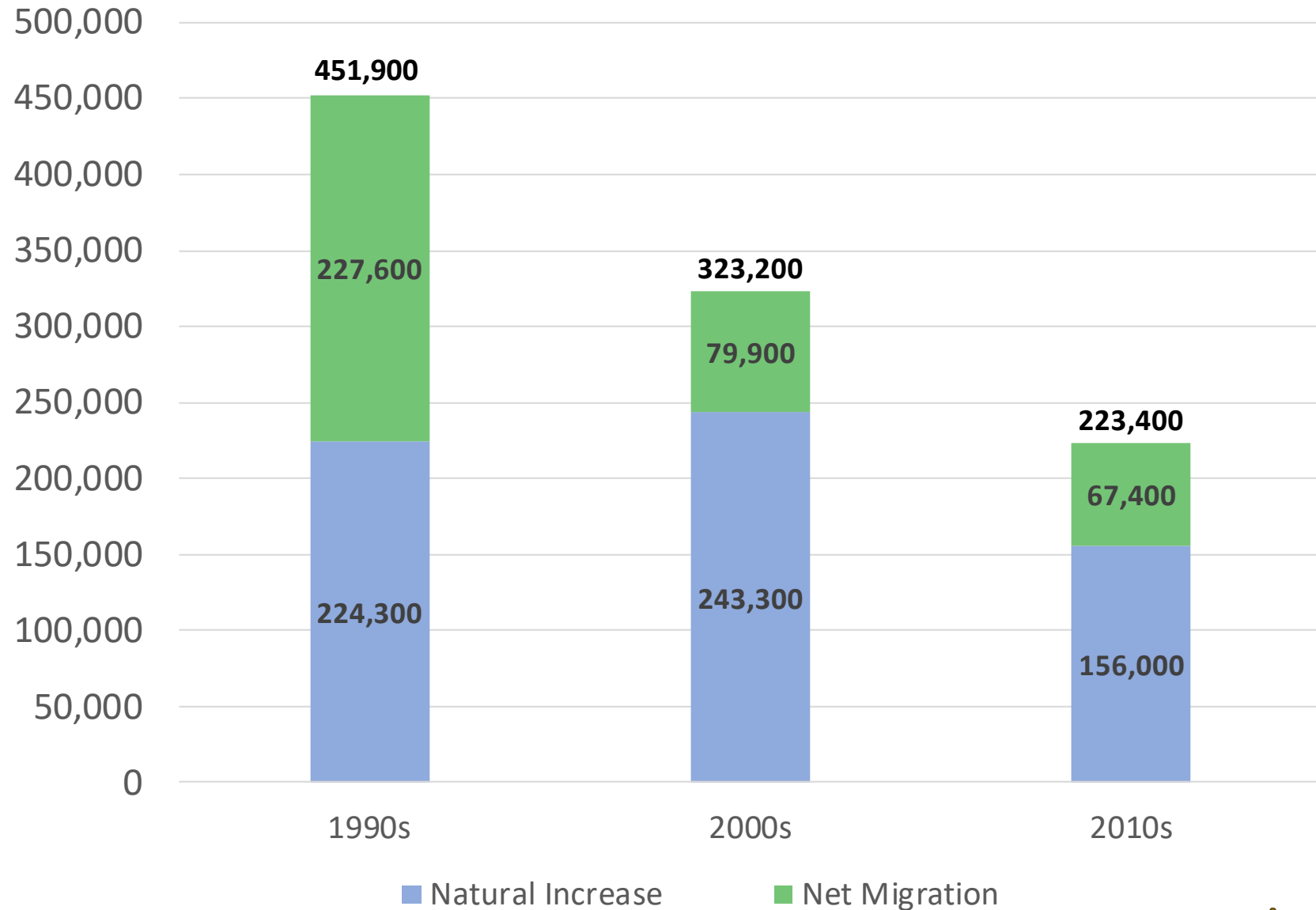
## Net Migration by Age



Egan-Robertson, David, Katherine J. Curtis, Richelle L. Winkler, Kenneth M. Johnson, and Caitlin Bourbeau, *Age-Specific Net Migration Estimates for US Counties, 1950-2020*. Applied Population Laboratory, University of Wisconsin - Madison, 2023 (Beta Release). Web.

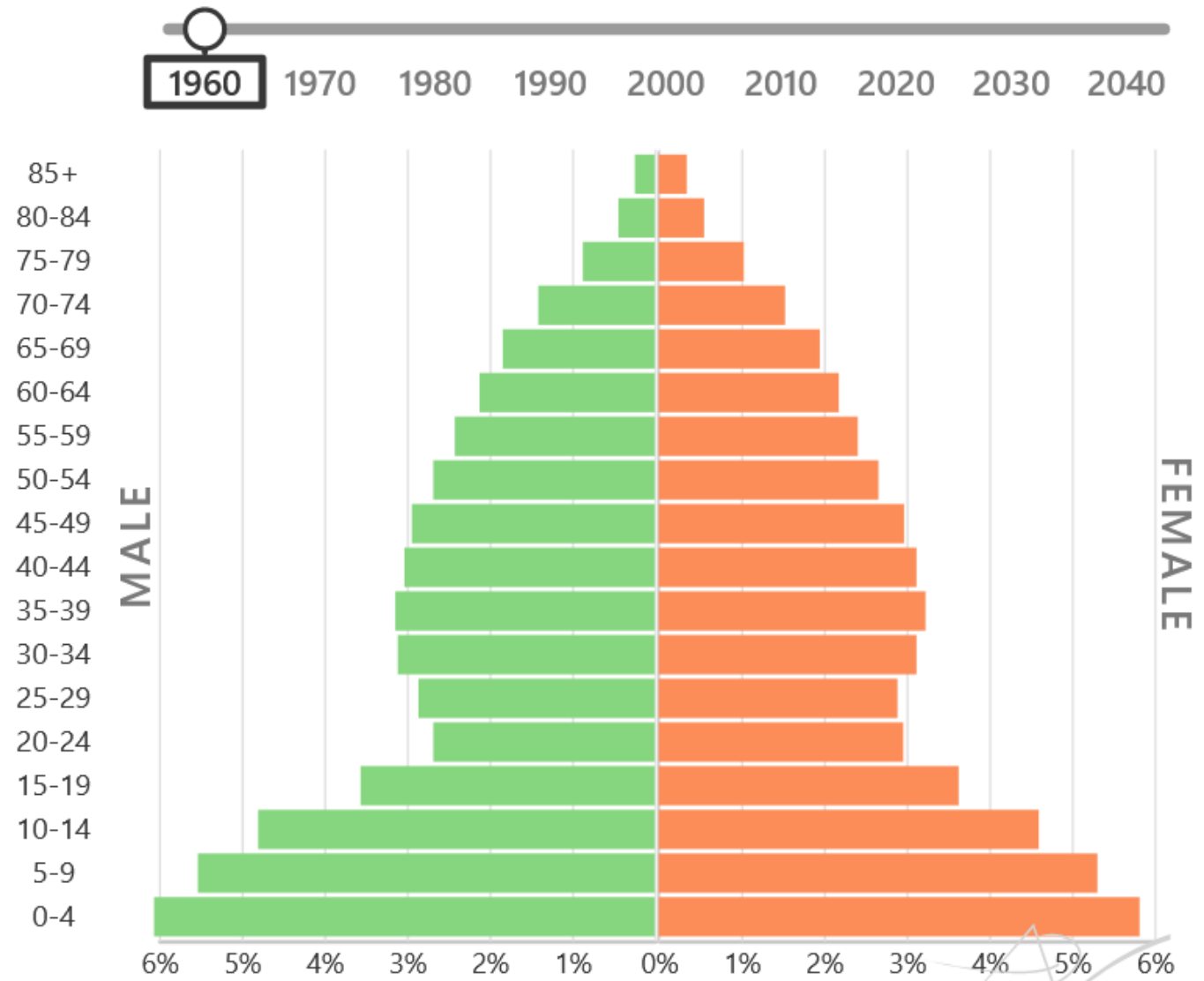
# Components of Population Change

$$\text{Change in Population} = (\text{Births} + \text{Immigration}) - (\text{Deaths} + \text{Emigration})$$



Source: U.S. Census

# Population 1960-2040



apl.wisc.edu

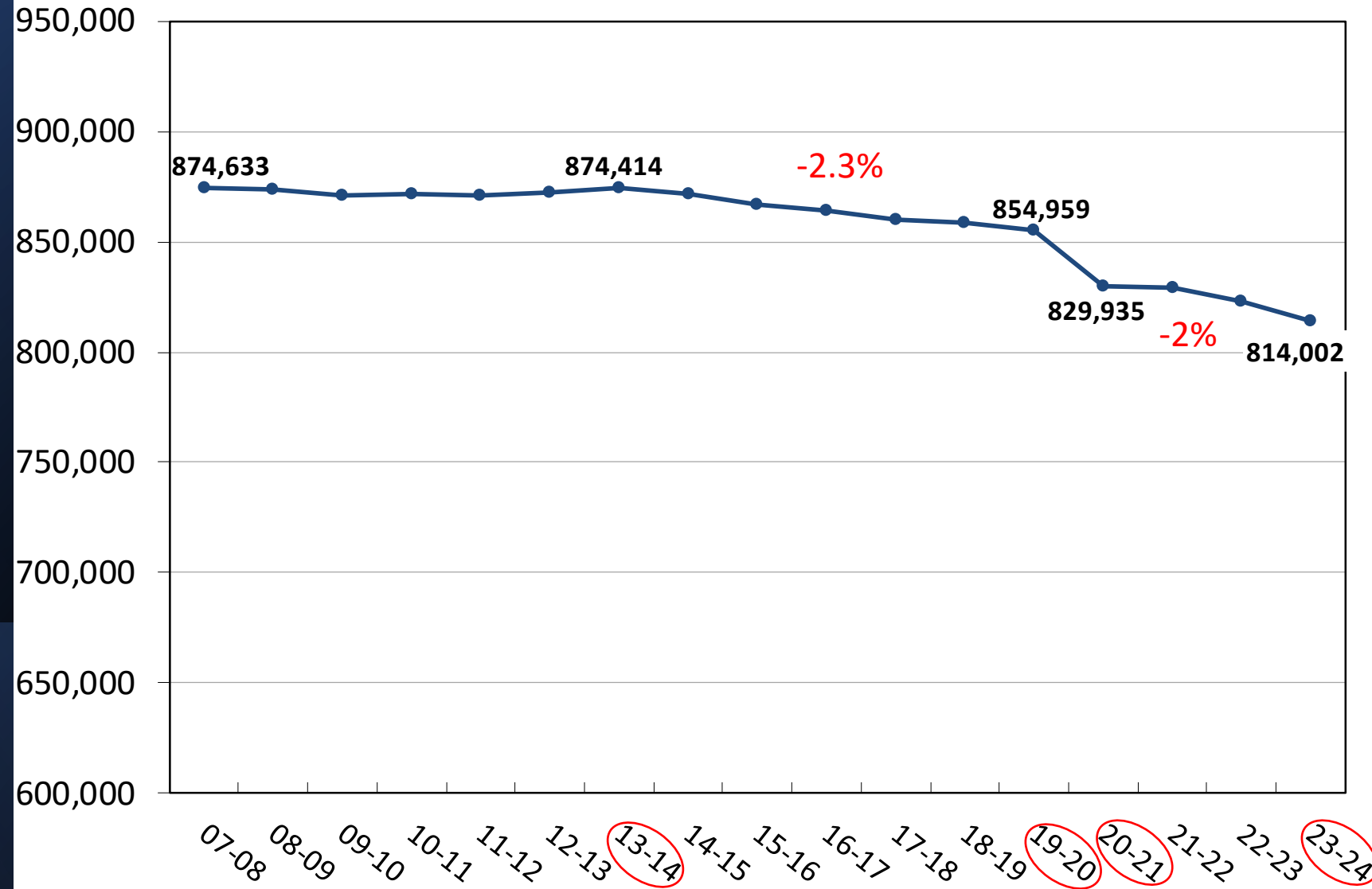
Source: U.S. Census



# Wisconsin Public School Enrollment



# Public School Enrollment 2007-2023



Source: Department of Public Instruction, 3<sup>rd</sup> Friday count



# Effects of the Pandemic on Enrollment

## Students by School Type

	2019-20	2020-21	2021-22	2022-23	% Change '19 to '22
Public*	854,959	829,935	829,143	822,804	-3.8%
Private	120,705	118,862	121,729	124,447	3.1%
Home-schooled	21,644	31,878	29,402	28,853	33.3%
<b>TOTAL</b>	<b>997,308</b>	<b>980,675</b>	<b>980,274</b>	<b>976,104</b>	<b>-2.1%</b>

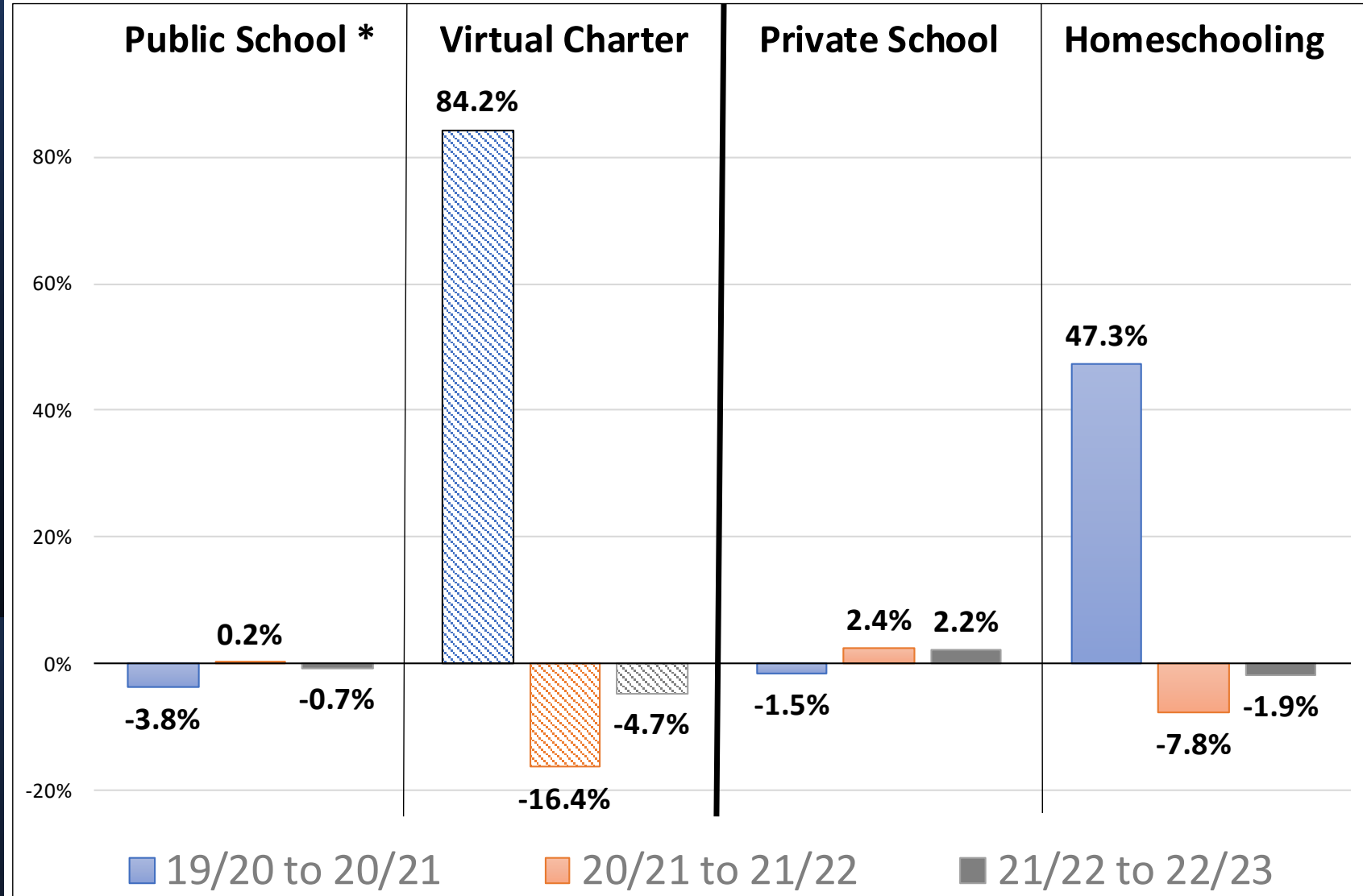
\*Includes public charter schools

In 2019-20, **12.10%** in private schools & **2.2%** homeschooled.

In 2022-23, **12.75%** in private schools & **3.0%** homeschooled.



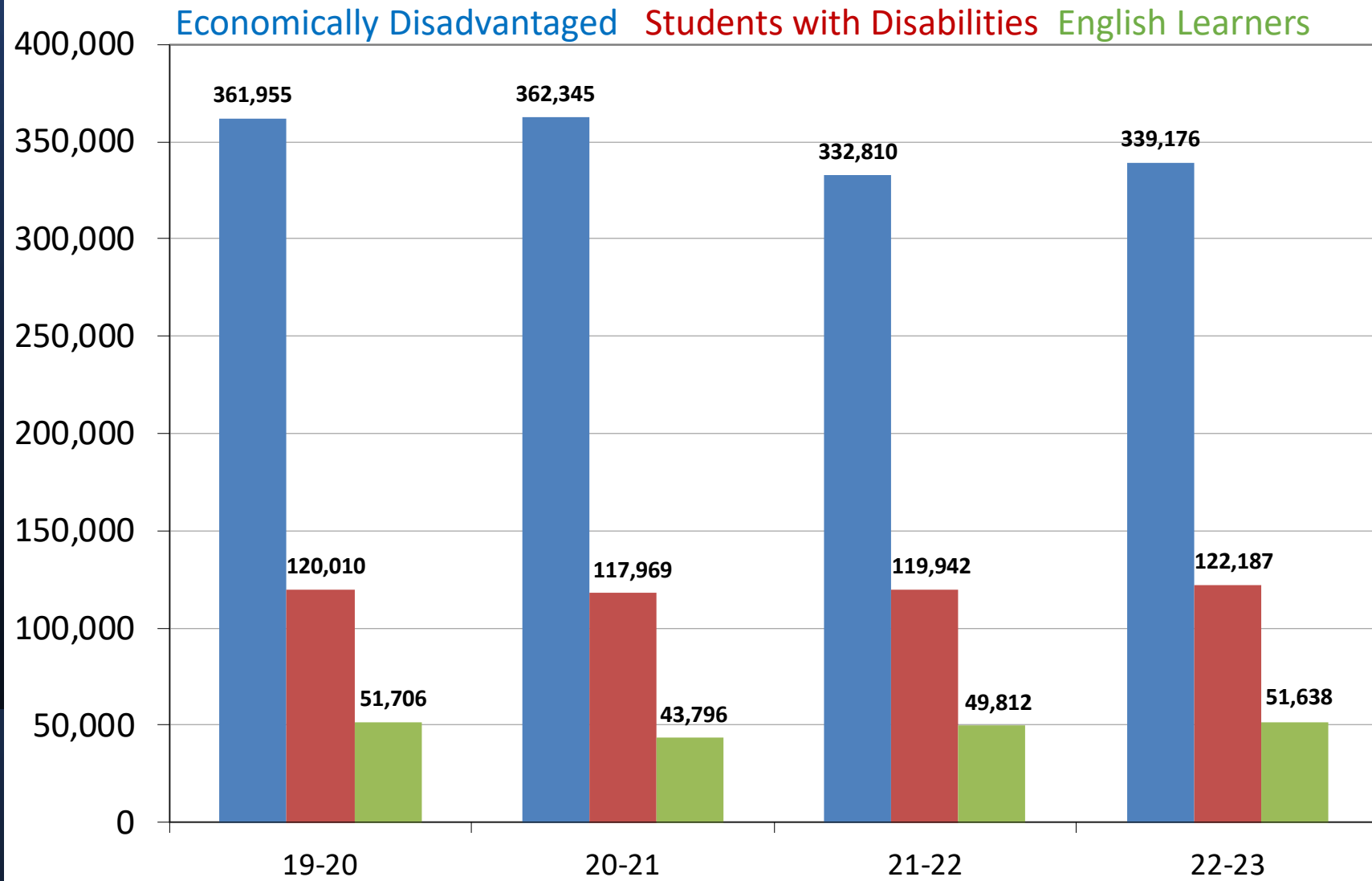
# Percent Change by School Type 19/20 to 22/23



\*Excludes public virtual charter schools

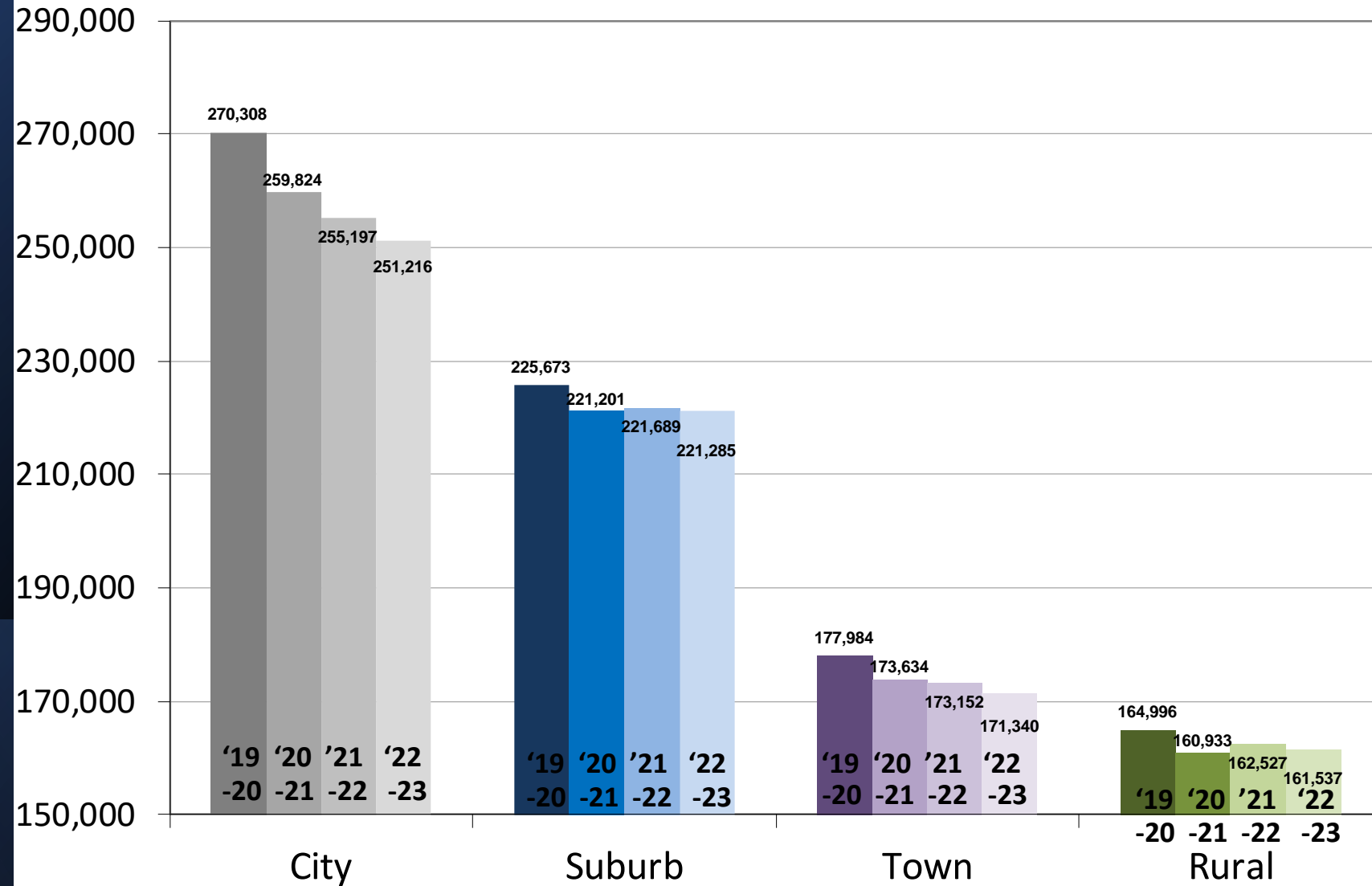


# Enrollment by Student Group 19/20 to 22/23



Student Group	2019-20	2020-21	2021-22	2022-23	Change '19 to '22
Economically Disadvantaged	42.3%	43.7%	40.1%	41.2%	-1.1%
Students with Disabilities	14.0%	14.2%	14.5%	14.9%	0.9%
English Language Learners	6.0%	5.3%	6.0%	6.3%	0.3%

# Enrollment by Location 19/20 to 22/23



Source: Department of Public Instruction & National Center for Education Statistics



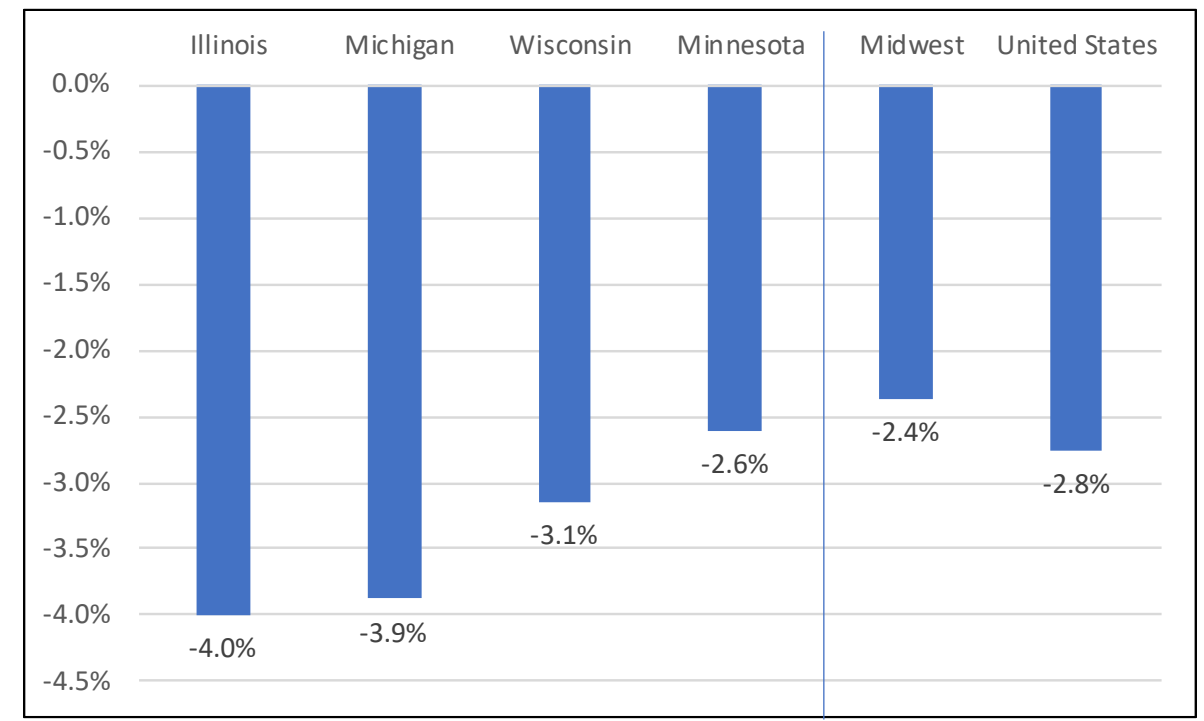
# Missing Students Post-pandemic

## School Enrollment Numbers Raise Question of Missing Students

- 3,742 Private School
- 7,209 Homeschool
- 9,600-16,800 Ongoing decline
- 4,500-11,600 Unaccounted students

Source: Wisconsin Policy Forum, October 2023

Percent Change in Students, 2019/20 - 2021/22

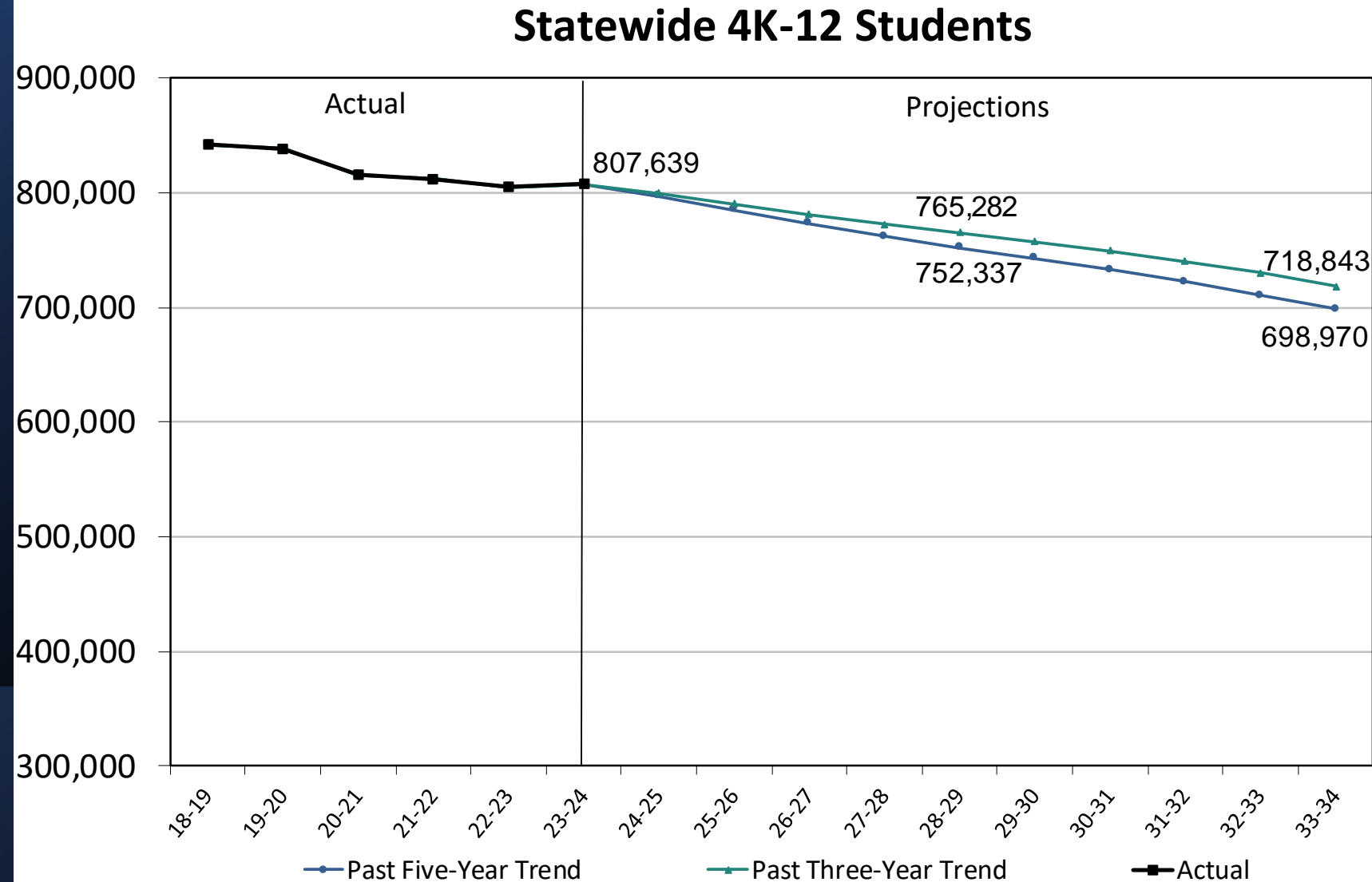


Source: National Center for Education Statistics

# Wisconsin Public School Projections



# Public School Projections 2024-2033

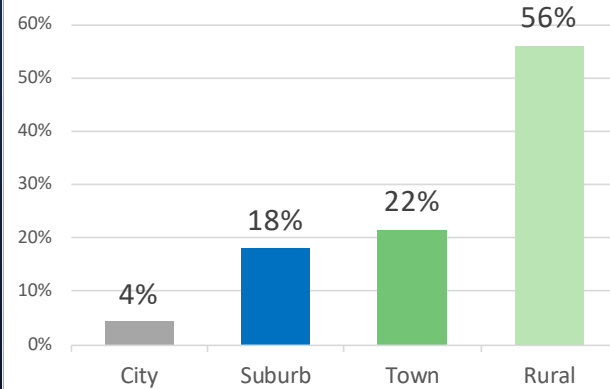


In 2028/29, 4K-12 enrollment projected to decrease an average of **6%**.

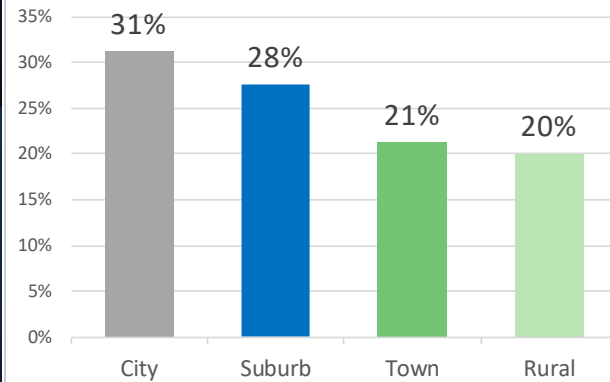
All grade groupings to decline: K-5 by **8%**, 6-8 by **2%**, and 9-12 by **6%**.

# Wisconsin School Districts

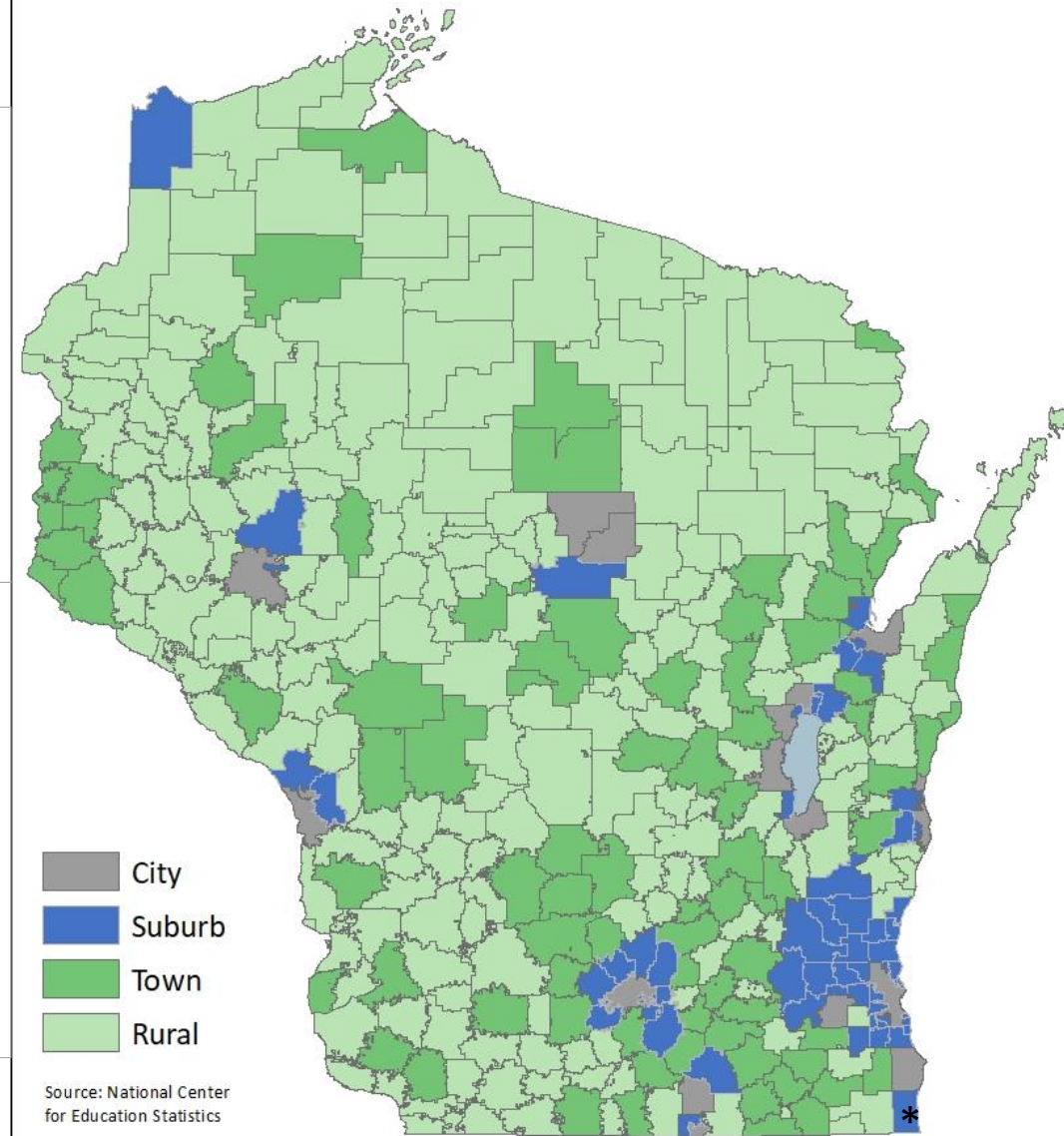
### School Districts, 2020



### Enrollment, 2023-24



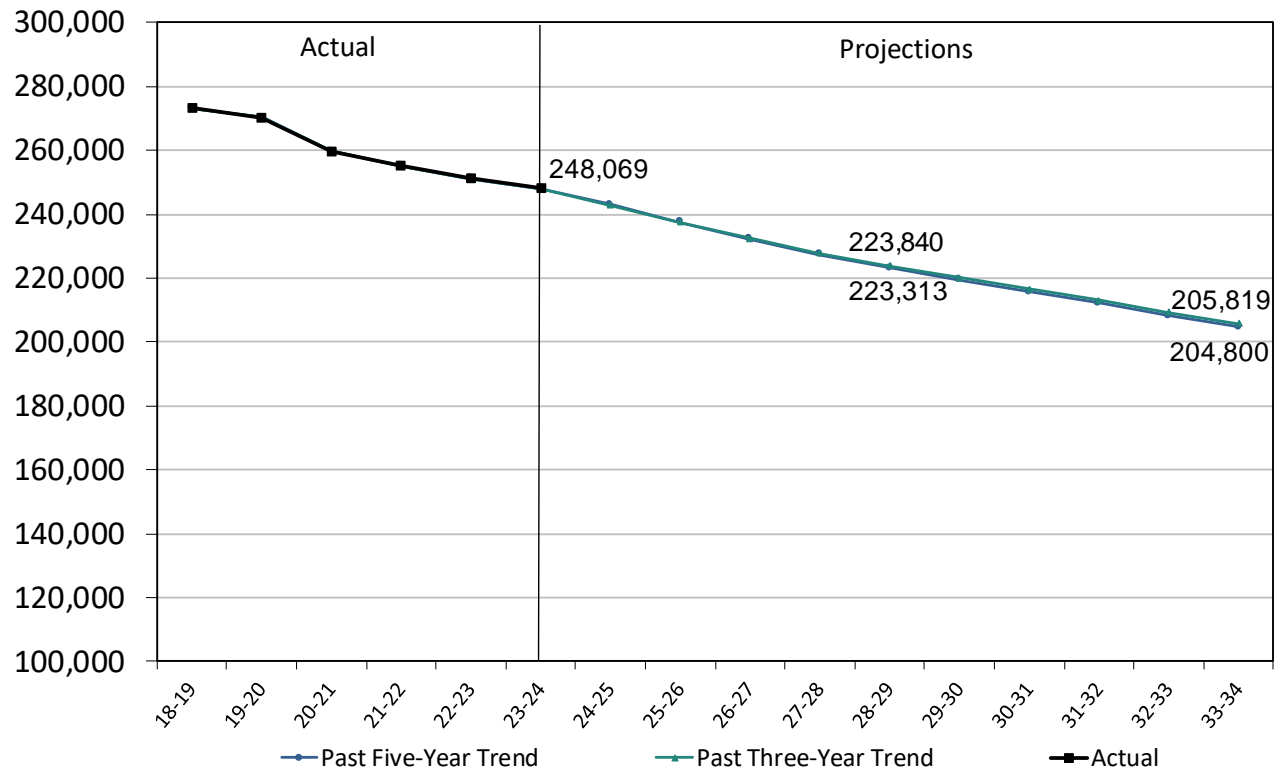
### School Districts by Locale



# Projections by Location

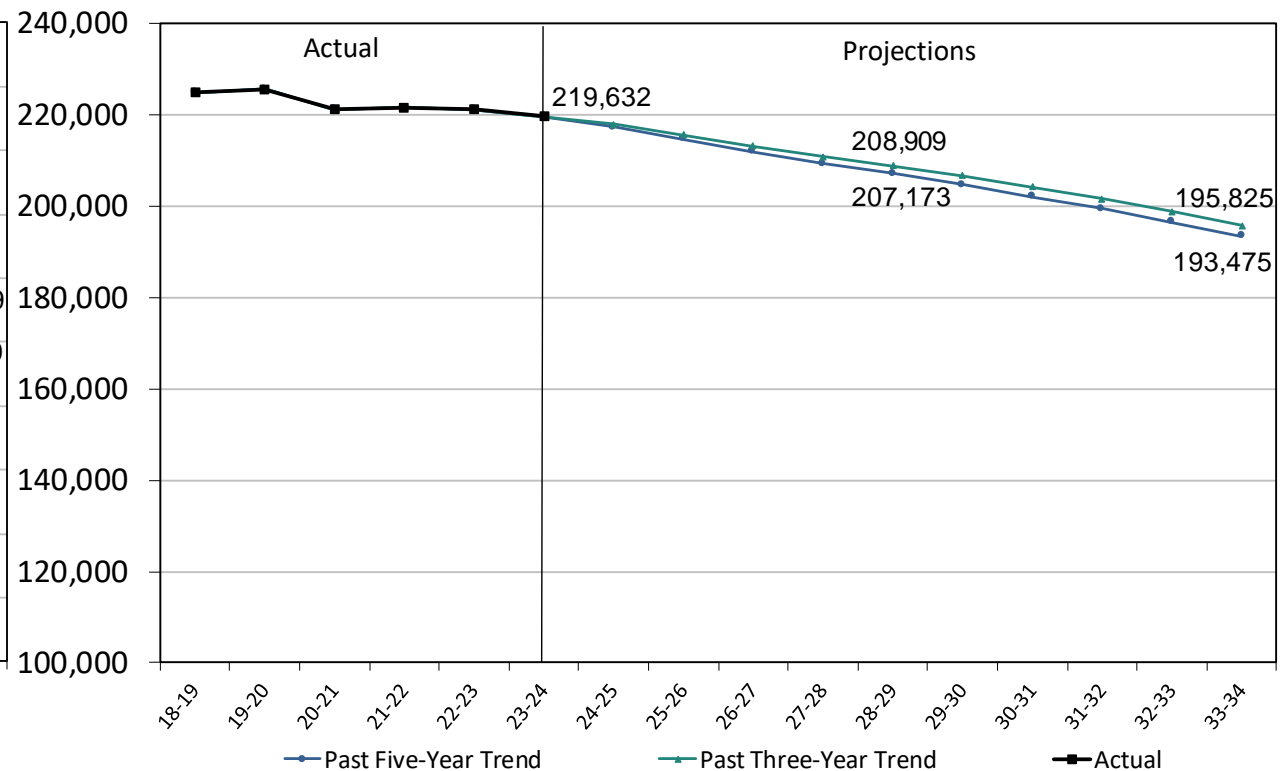
## 2024-2033

### Students in City Districts



Projected average enrollment decline of **10%** in city districts by 28-29.

### Students in Suburban Districts

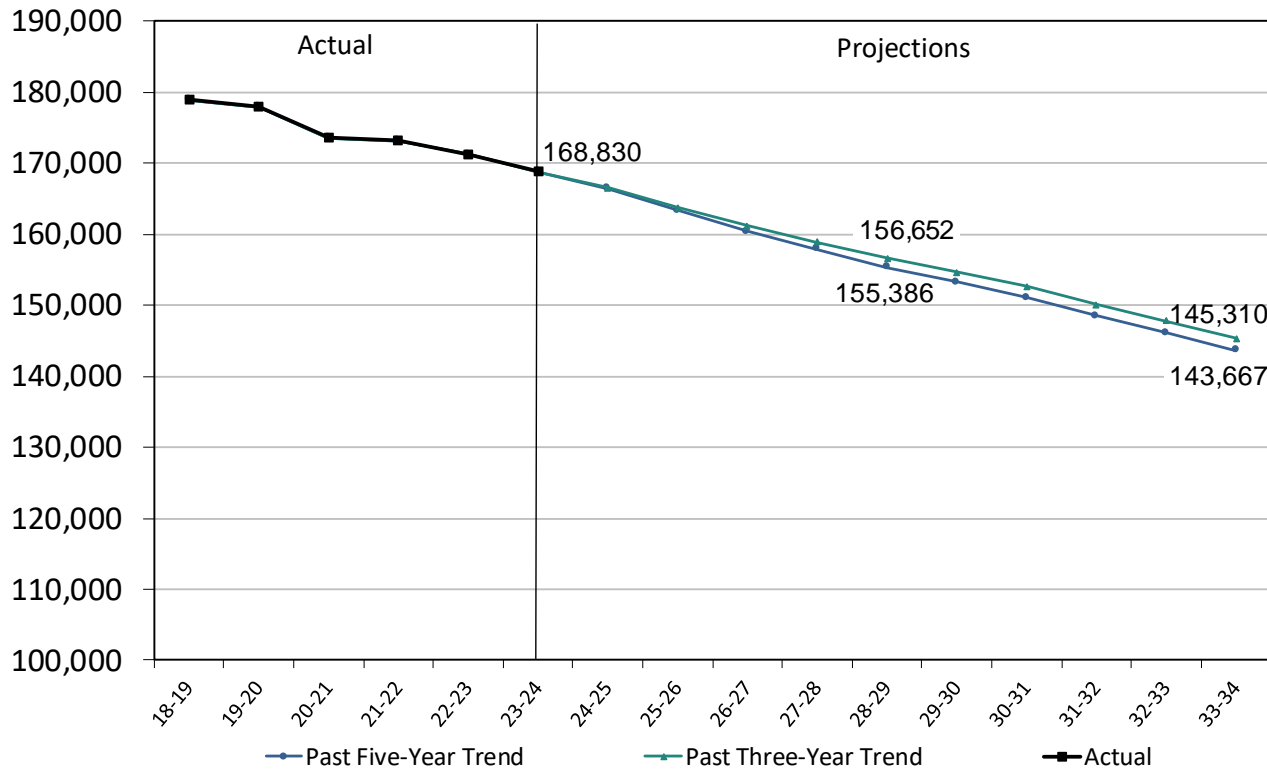


Projected average enrollment decline of **5%** in suburban districts by 28-29.

# Projections by Location

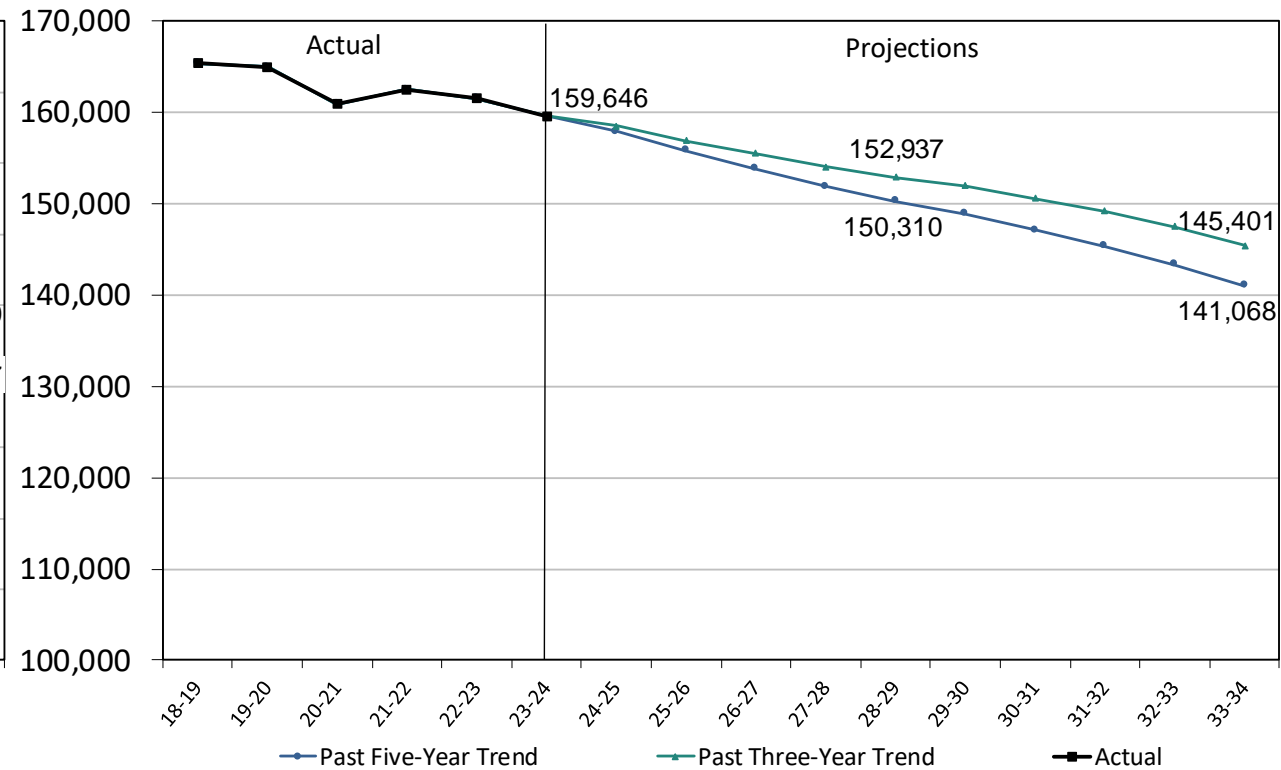
## 2024-2033

### Students in Town Districts



Projected average enrollment decline of **7.6%** in town districts by 2028-29.

### Students in Rural Districts



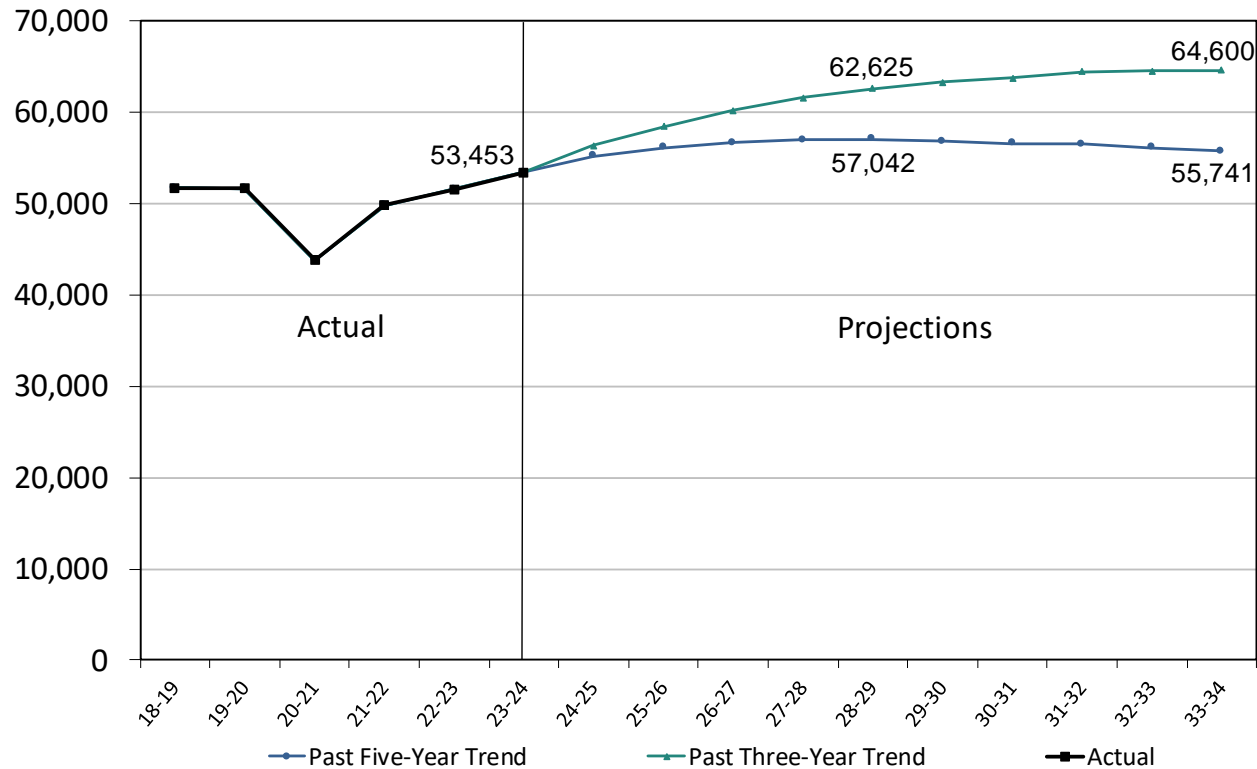
Projected average enrollment decline of **5%** in rural districts by 2028-29.



# Projections by Student Type

## 2024-2033

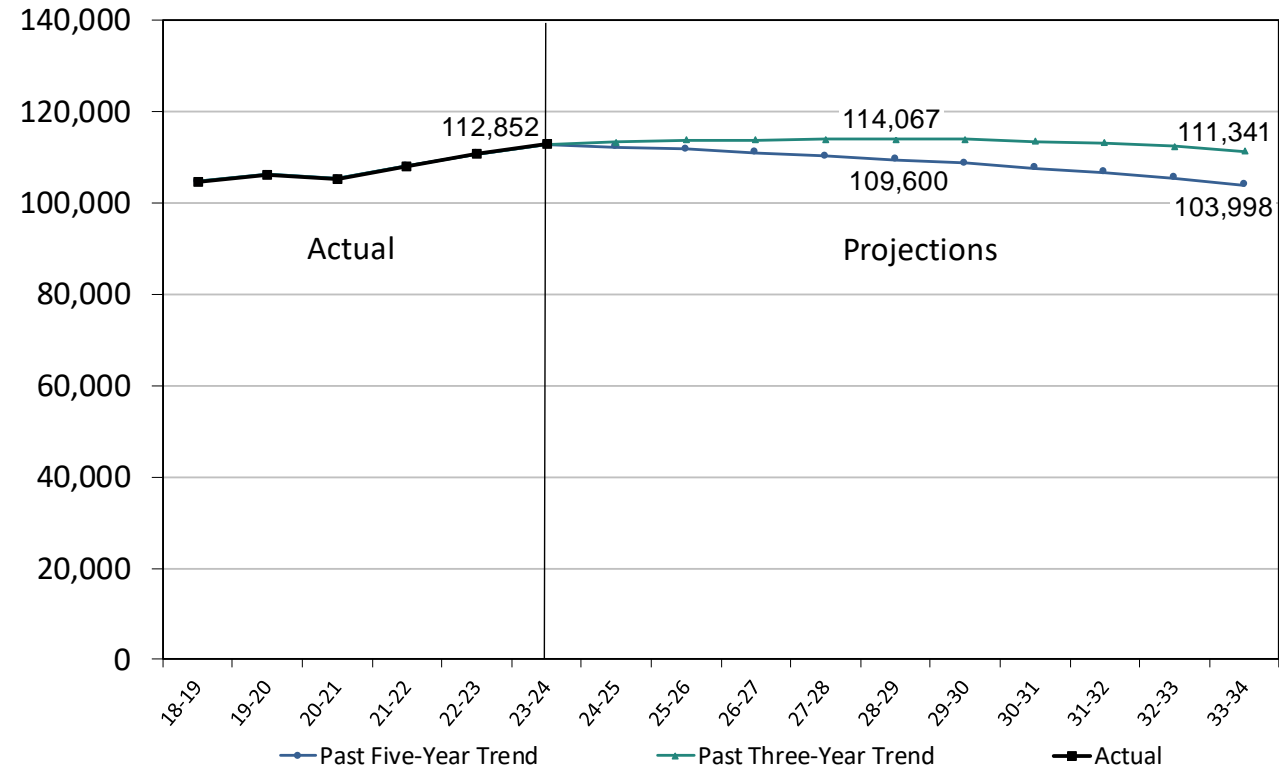
### English Language Learners



Projected average increase of **12%** for English language learners by 28-29.

**+1.3%** (6.6% to 7.9%) English language learners

### Hispanic Students



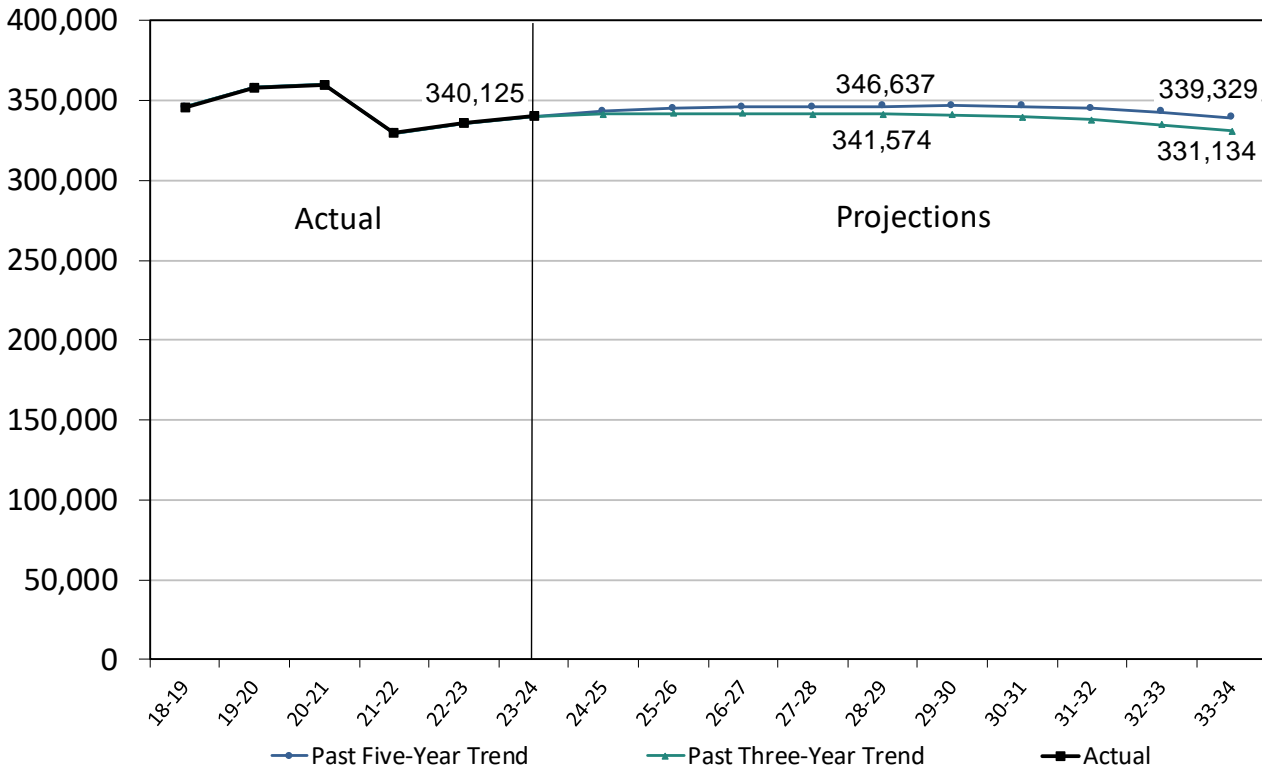
Projected average decrease of **0.9%** for Hispanic students by 28-29.

**+0.7%** (14% to 14.7%) Hispanic students

# Projections by Student Type

## 2024-2033

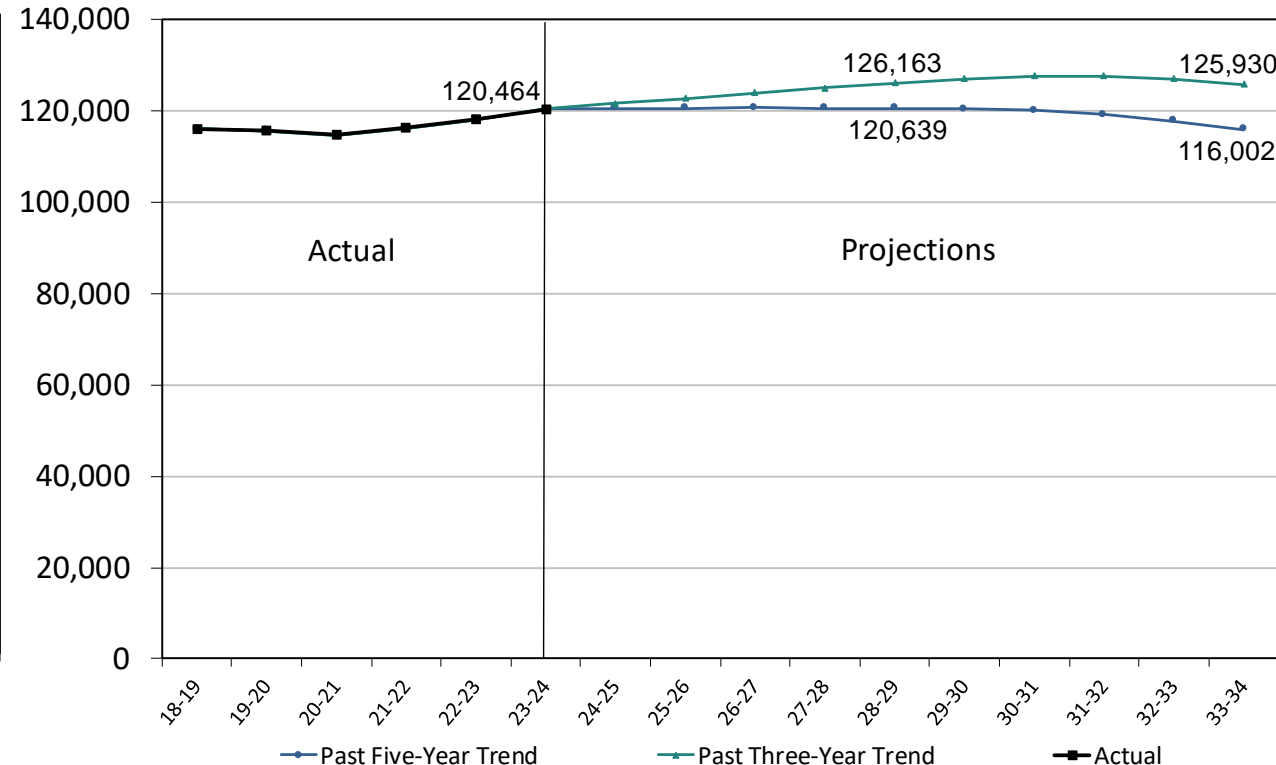
### Economically Disadvantaged Students



Projected average increase of **1.2%** for economically disadvantaged students by 28-29.

**+3.3 points** (42.1% to 45.4%) economically disadvantaged

### Students with Disabilities

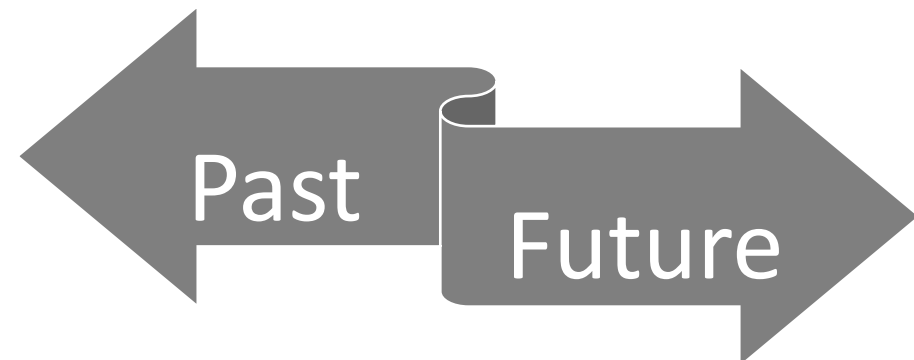


Projected average increase of **2.4%** for students with disabilities by 28-29.

**+1.3 points** (14.9 to 16.2%) students with disabilities

# Concluding Comments

- **Declining births have meant fewer students.**
- **Educational alternatives for K-12 students are growing.**
- **Fewer students means reduced revenues for many districts regardless of location.**
- **Future costs will increase because of increased district needs for economically disadvantaged students, students with disabilities, and English language learners.**





# Implications of declining enrollment

What are the short- and long-term impacts of ongoing enrollment declines in Wisconsin?

**Even small enrollment losses can destabilize district budgeting**

Even a 1% loss of enrollment can **impair stability of districts' financial picture**

Enrollment losses – left unaddressed – could increase costs beyond available revenues.

**Breadth of programming/educational quality suffers; districts stay mired in reactive damage control-mode**

Logical outcome: **Inequality will rise** as families with means seek non-public options, leaving large shares of highest-need students in underfunded schools

**School district  
budgets do not  
shrink well**

Budget savings from cost cutting are limited:  
Costs are not shed as fast as enrollment  
revenue goes down

Fixed costs do not fall on a per pupil basis

Loss of economies of scale (especially for  
teacher and support staff spending)

**Rural districts especially vulnerable:** High per pupil  
costs for educators, transportation, and  
administration – most likely to resort to deficit  
spending

**Under current  
system –  
enrollment losses  
cannibalize the  
resources needed  
to “right size”**

Loss of revenue from enrollment declines impedes districts from exploring the very efficiencies, educational offerings, and facilities improvement that they need to “right size” and attract/retain students – **students and taxpayers lose**

**Will force hard  
questions  
about facilities  
and capital  
planning**

**Long-term enrollment losses raise challenging capital questions:**

Should we repair/renovate existing school buildings?

Should we construct new buildings that better align future enrollment patterns?

Should we sell existing property?



## Equity impacts:

**Harms are not evenly distributed across all districts/students**

Districts with largest populations of highest-need students are at higher risk of losing resources from enrollment declines:

Student groups at greatest risk of attending a district with enrollment-related funding cuts:

- Students with disabilities
- English learners
- Students in foster care
- Migrant students
- Homeless students

**Implications of selected enrollment projections:**

**District enrollments will comprise more and more high needs students**

**Recall - Projected enrollment changes by 2028-29:**

**Economically disadvantaged students: +1.2%**

**Students with disabilities: +2.4%**

***Overall 4K-12: -6.0%***

**Likely result:** Students with disabilities and high poverty students also will represent larger and larger *shares* of district enrollments

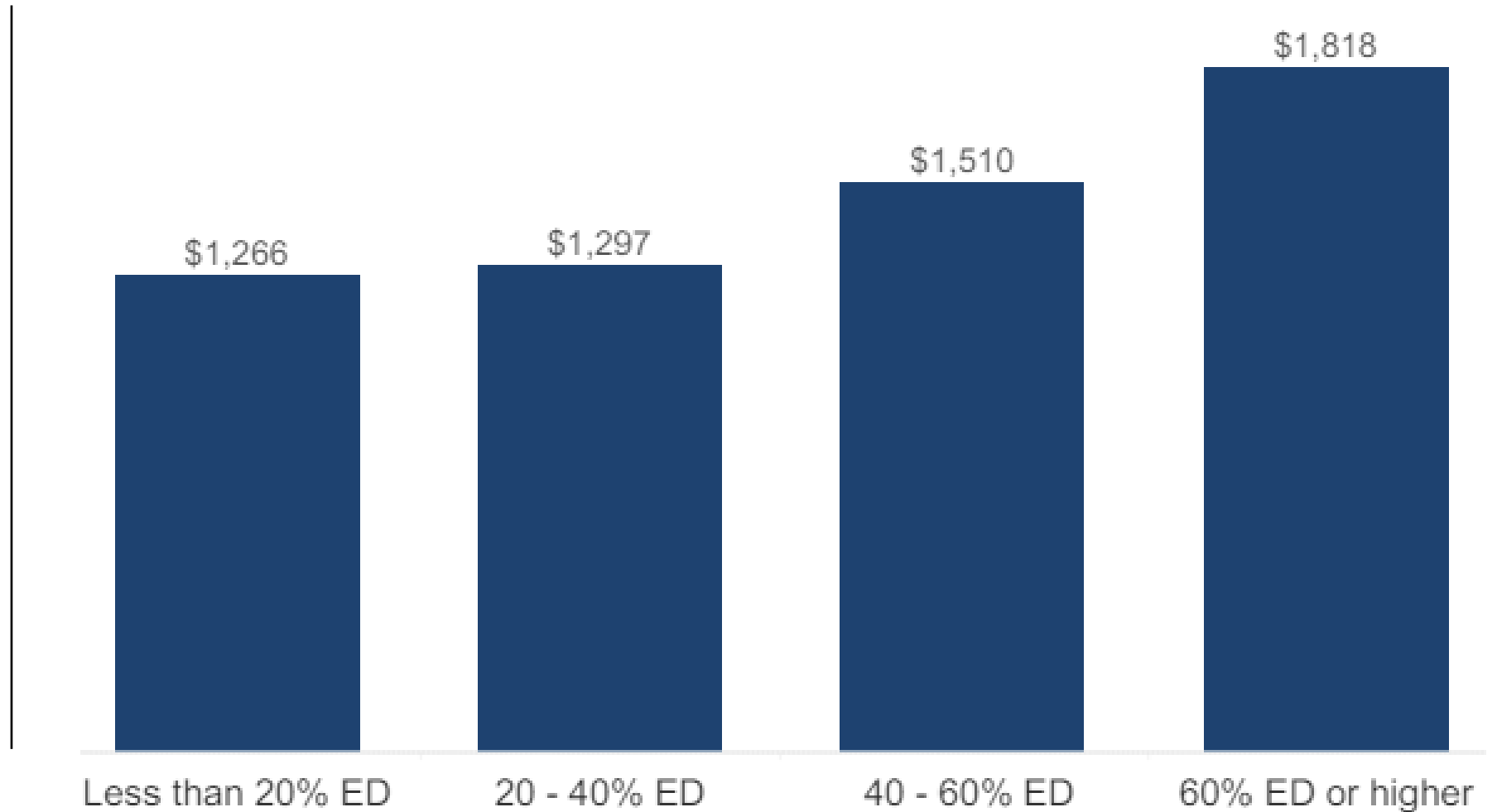
Major implications for school finance, availability of resources -

Growing share of district budgets will be allocated to special education and serving high poverty students

# Wisconsin unfunded special education costs per pupil by district poverty level (2019-20)

**Disparate impacts of underfunded special education:**

**Funding gap greatest for high poverty districts**





## **Wisconsin in national context**

How do Wisconsin trends compare nationally and to other states?

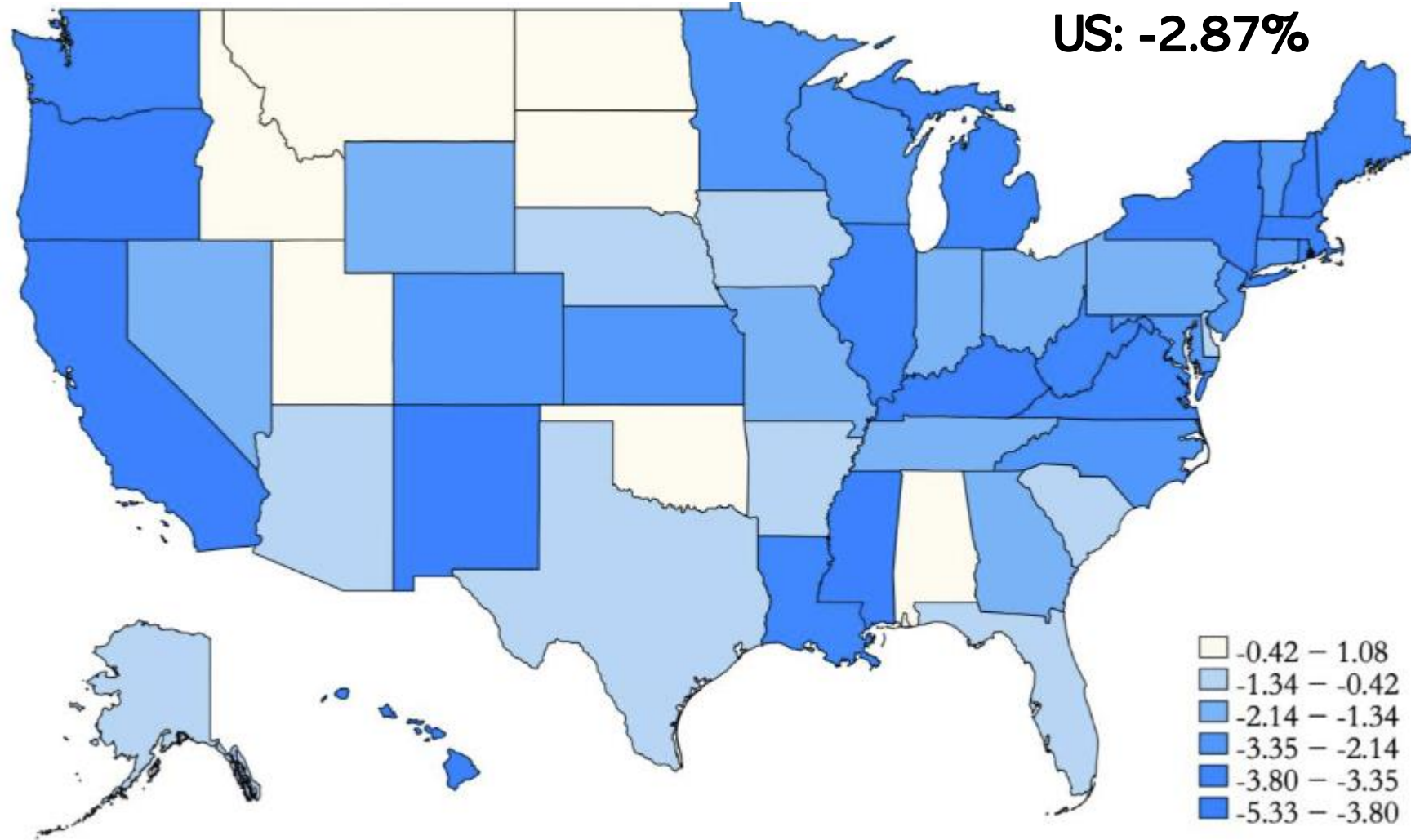
# Percentage change in K-12 public school enrollment, by state 2019-20 to 2021-22

WI: -2.62%  
US: -2.87%

K-12 public school enrollment fell by 1.2 million nationwide

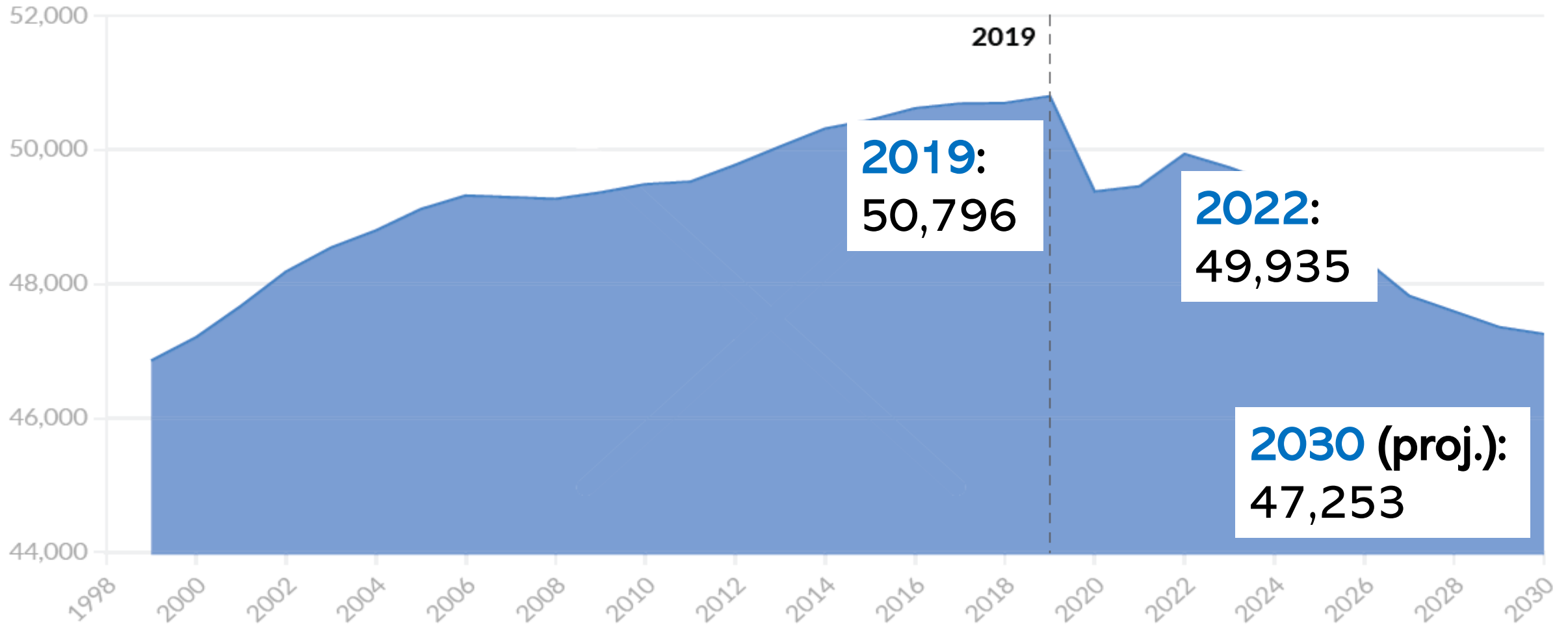
Private: 4% higher  
Homeschool: 30% higher

US school age population also fell – by 250,000+



# U.S. K-12 public school enrollment

## Trends & projections: 1999-2030

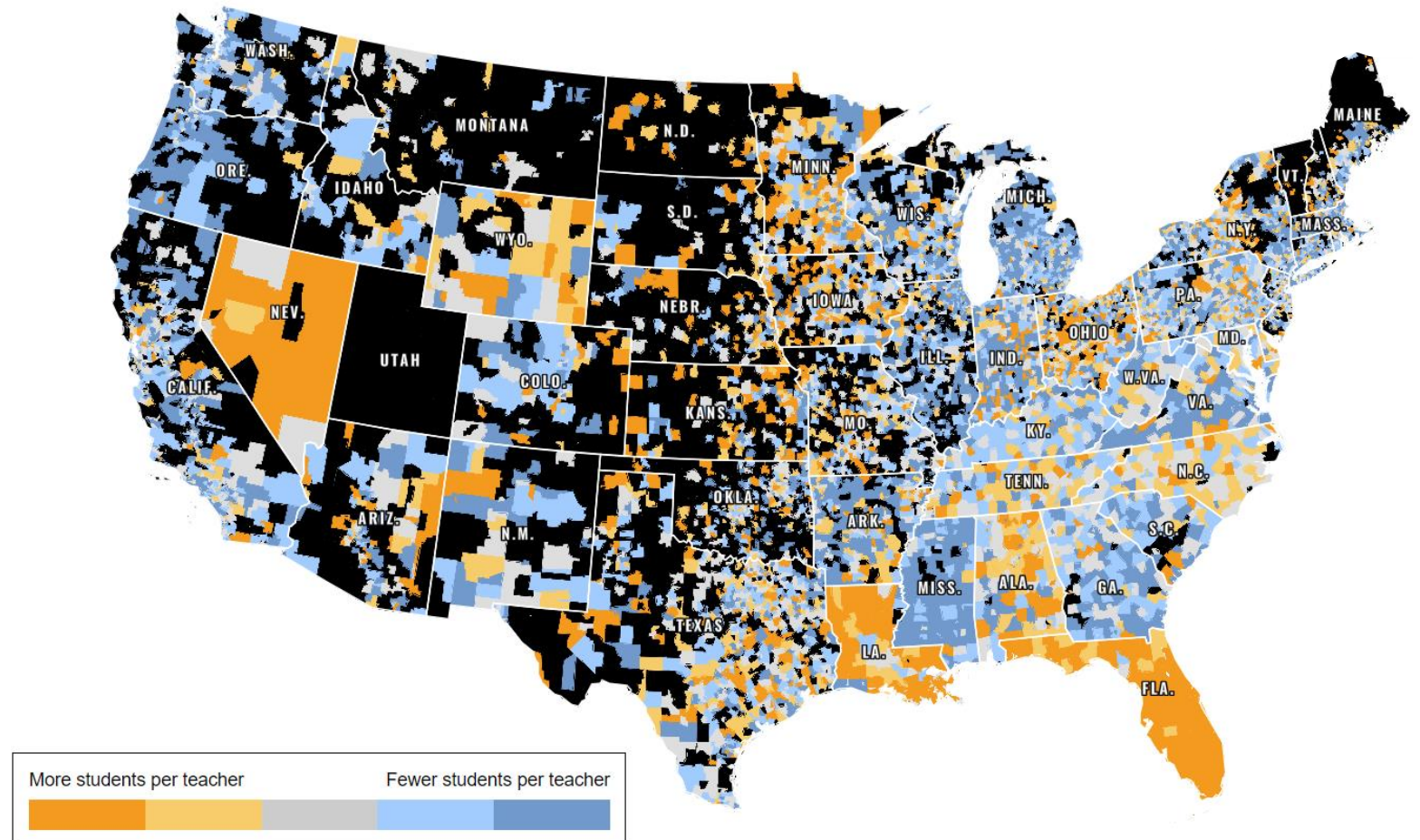


# School staffing versus enrollment: Change from 2016-17 to 2022-23

Per pupil basis,  
staffing levels at all-  
time high –

Three quarters of all  
districts serve fewer  
students per teacher  
than 6 years ago  
(blue regions)

Lay offs?  
Close under-  
enrolled schools?

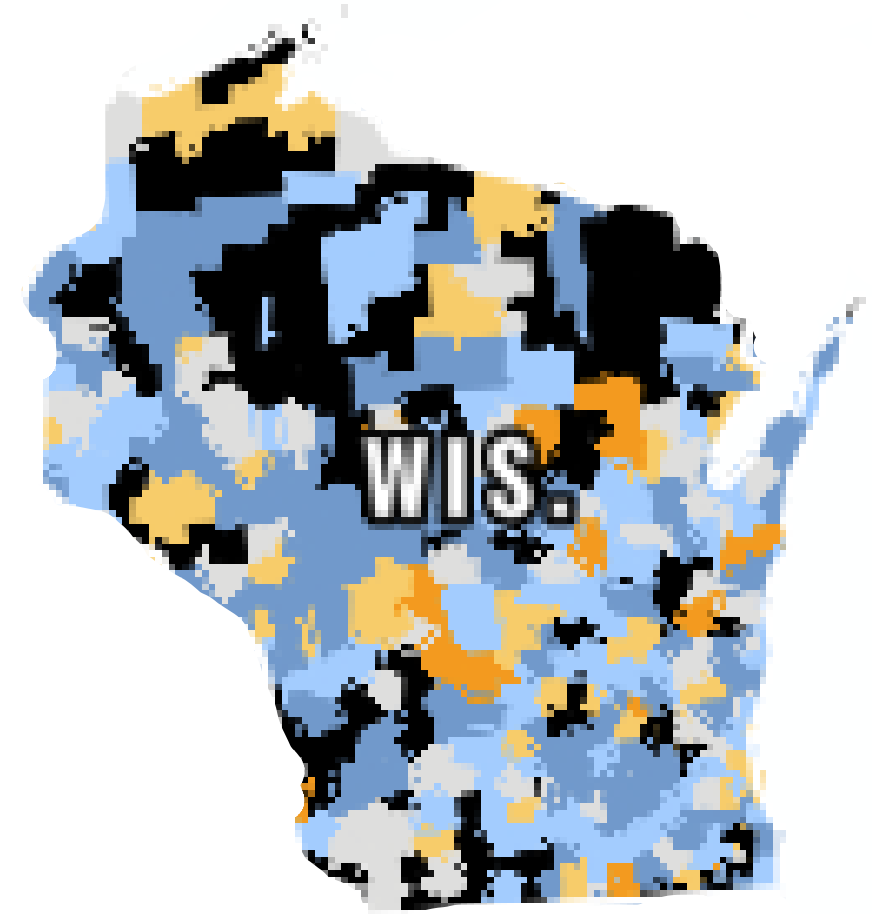


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Lay offs?  
Close under-  
enrolled schools?



Black: Extremely small districts or insufficient data





## **State policy implications**

How have Wisconsin and other states handled enrollment challenges?  
What options should Wisconsin policymakers consider?

# **State plays a pivotal role**

This is a statewide and a state-level problem

Districts cannot solve this problem alone

States have a role to play to ensure districts have resources to activate long term strategies that equitably mitigate harms to students and communities

What options does Wisconsin have?

What has been proposed in the past?

What have other state done?

2019 Blue Ribbon  
Commission on  
School Funding

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**Modify hold  
harmless  
provisions to  
smooth  
transition to  
lower  
enrollments**

Calculate revenue limits using longer time horizon than three-year rolling average (BRCSF: five years)

Allow declining enrollment adjustment to account for long-term enrollment declines: 2023-24 three year rolling average becomes the base year; receive 90% of what decline would have generated (up to loss of 10%)

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Gives districts more time to adjust to decreasing revenues – while they build long-term strategies to “right size” for permanent enrollment losses

**Limitations of hold harmless provisions as long-term solution to permanent enrollment declines**

Caution: Beware of hold harmless “harms”

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Can penalize districts that see enrollment rebounds

Can remove sense of urgency – could allow school boards to delay difficult decisions to “right size” for ongoing lower enrollments – depletes reserves

**Carries tradeoffs: Diverts state and local resources away from other high-priority needs**

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State should design hold harmless provisions to balance district revenue stability with district need to make long-term changes to finance structures

# Invest resources into highest need areas

**INSTEAD:** Address enrollment revenue losses by investing in areas of highest need...

Rather than address enrollment variations directly, invest in areas of greatest student need, programs to narrow achievement gaps, close funding disparities, educator workforce, etc.

- **Special education:** (Move from 33% sum certain reimbursement closer to sum sufficient) 90-100% that special needs voucher schools get
- **Inflationary indexing:** Restore statutory guarantee of general spending authority that matches or exceeds inflation

**Provide state  
incentive grants  
and supports for  
enrollment  
transition**

Alongside hold harmless policies...

Provide guidance and incentive grants to support school districts with structural shifts in operations and facilities that position district for long-term financial sustainability amid enrollment losses

**Provide  
incentives to  
districts to  
consolidate or  
share services**

Allow two or more districts to create new K-8/UHS districts

Provide funding to undertake whole grade sharing agreements

Provide incentive aid for districts sharing administrative positions

Provide per pupil adjustment (through aid or revenue limit) to consolidating districts

Provide gradually phased out state aids to help smooth out disparate property tax rates between consolidating districts

Provide grants for feasibility studies

## **Opportunity:**

# **State policy could leverage declining enrollment to benefit public schools**

### **Higher per pupil funding**

Keep total state and local spending flat as enrollment goes down (i.e., allow revenue limits per pupil to increase)

- could generate more per pupil resources for schools without raising state/local investments
- allows districts to provide more educational opportunity for students, amid declining enrollment



## **“Right-size” the K-12 funding system:**

**Place funding priority on district schools (constitutionally required)**

Just as districts have to consider “right-sizing strategies” to adjust to new reality, **state could reconsider the breadth and depth of K-12 options:**

Ensure districts schools have sustainable funding and students’ needs are met before investments to other K-12 options

# **Provide information and guidance to districts**

Provide assistance and information on effective and efficient **downsizing that does not harm student experience** and educational opportunity

Provide guidance on how to assess and place priority on **equity impacts of school closures** (disparate impacts on certain student groups?)

Provide training, guidance to districts on **multi-year demographic and enrollment projections** and how those guide fiscal decisions

Assist and fund districts to mitigate staffing cuts by **retraining staff to fill critical staffing needs** (e.g. for special education)



## Local district policy options

What policy options could local districts leverage to mitigate the impacts of declining enrollment?



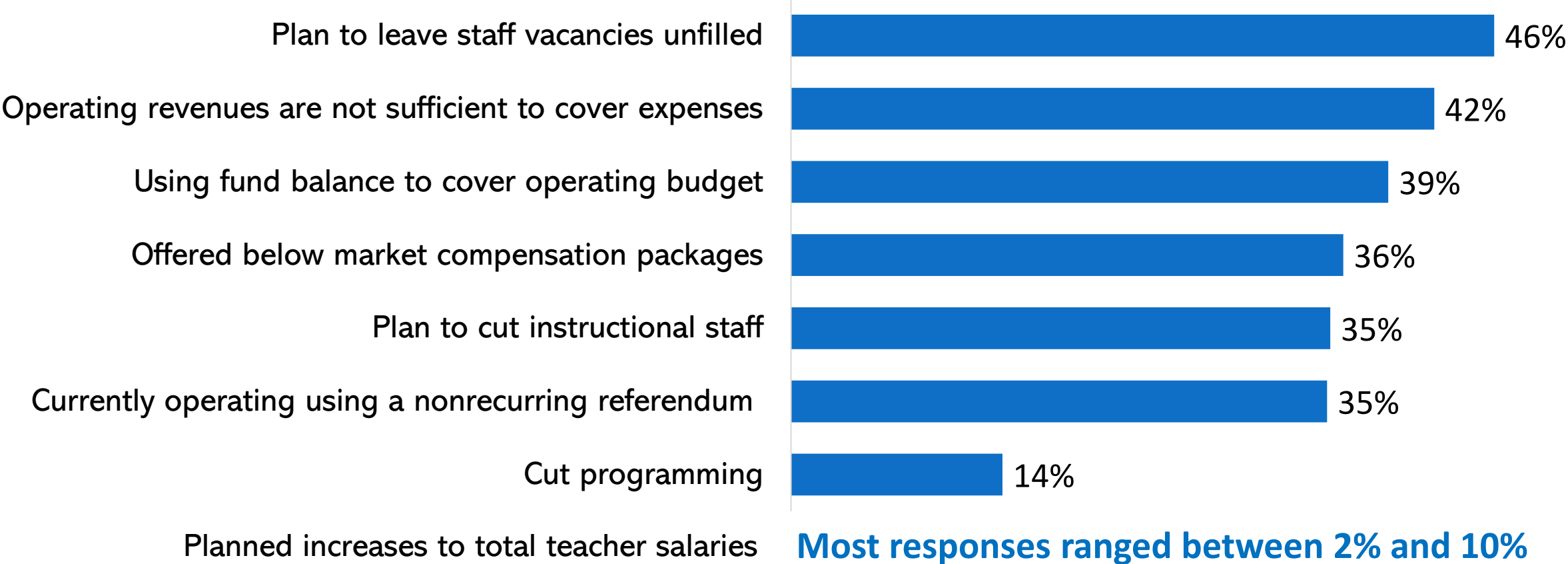
State does not always adequately address adverse effects of state policy on school districts' ability to serve their students. For example...

- School choice policy
- Underfunded special education,
- No poverty funding
- Sub-optimal “hold harmless” provisions

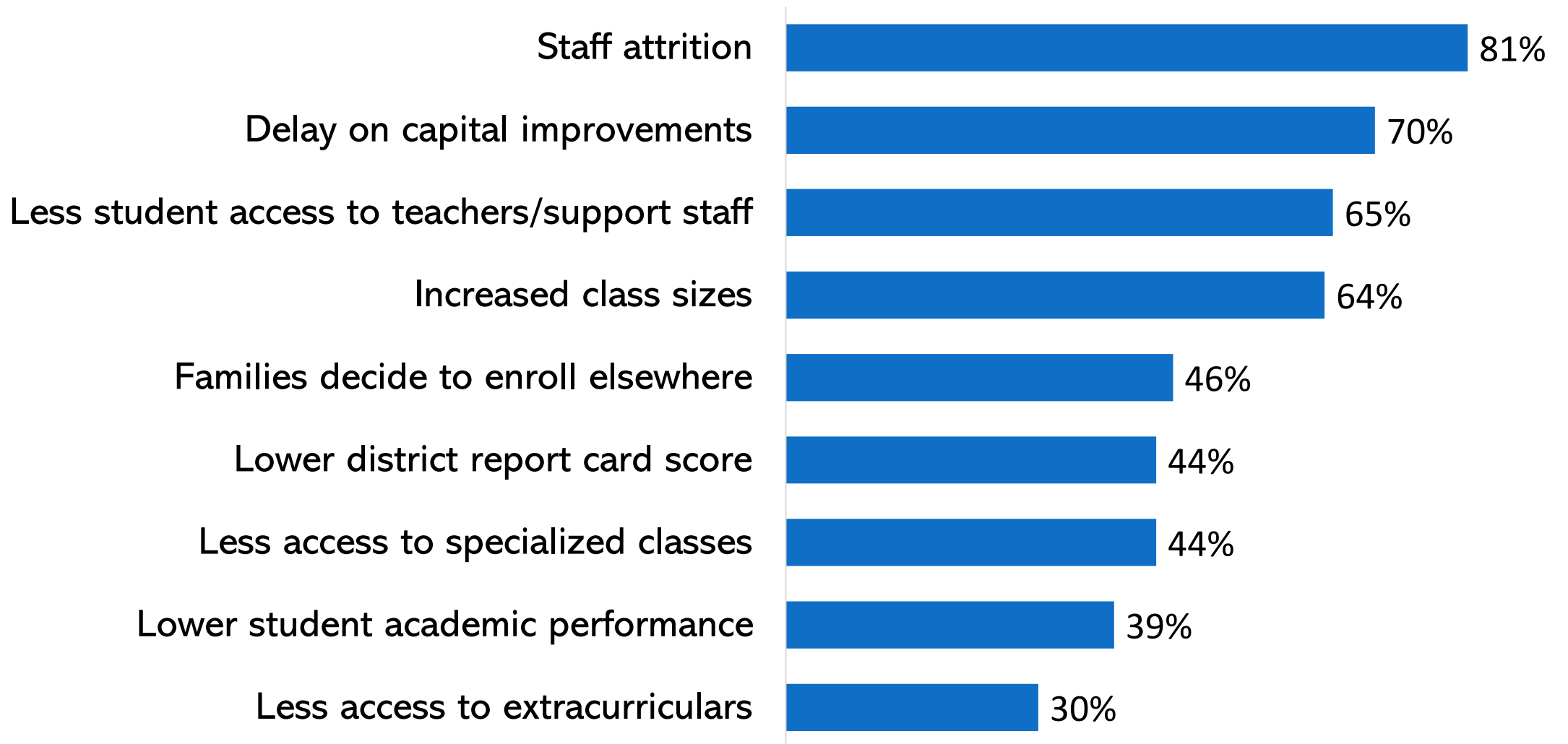
Under current state policy: enrollment declines will diminish revenue limit authority is well below costs to run districts – especially in the long run

**What is within local district control to mitigate the impacts of declining enrollment?**

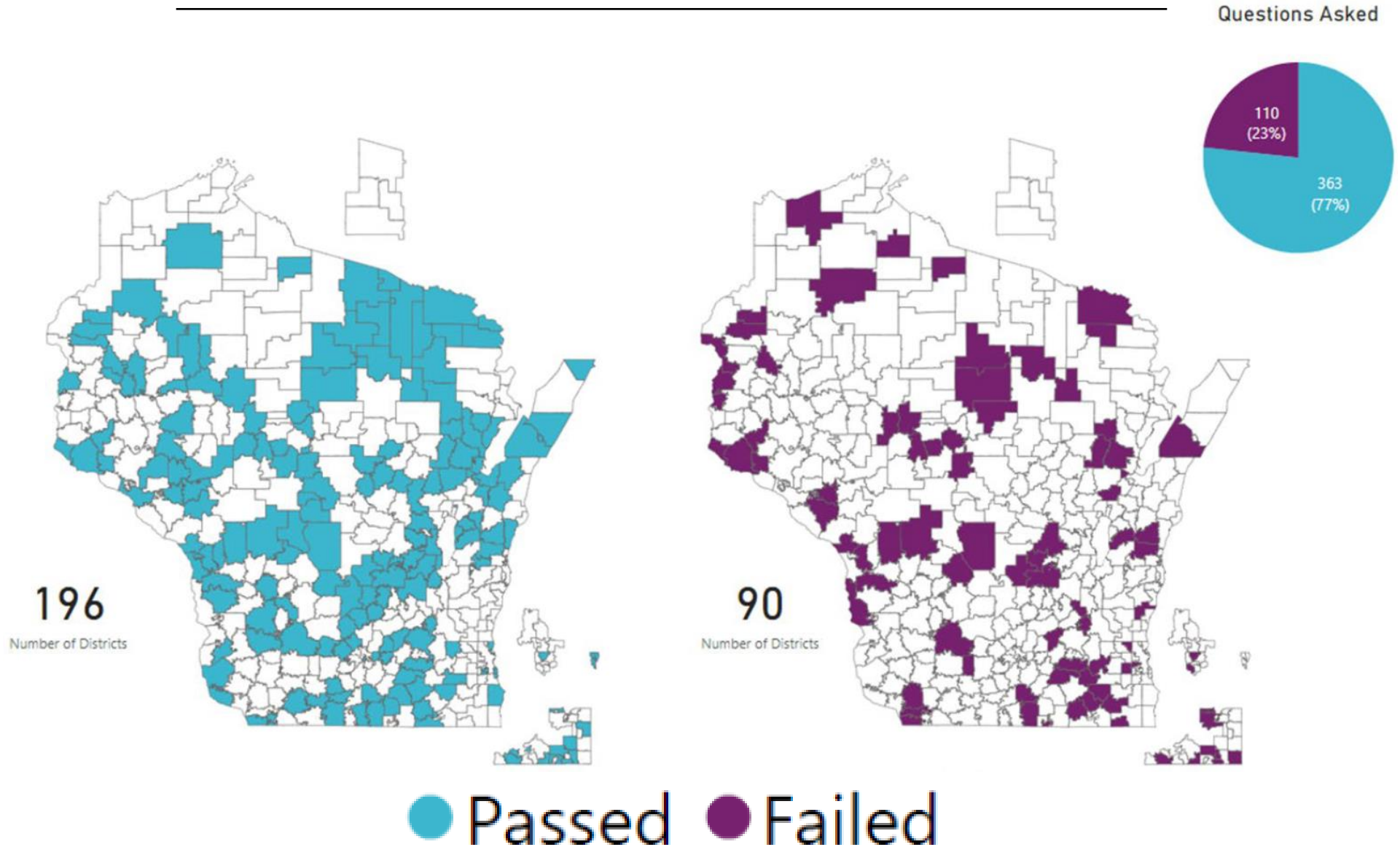
# Percent of respondents indicating they employed the following budget strategies for 2023-24



# Percent of respondents indicating the following are likely impacts on students as a result of budget challenges over the next two years



# Non-recurring operating referendums: Past ten years



# The “neverendum” cycle

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Year to year  
piecemeal  
strategies – try to  
spare classroom  
impacts

Ask community  
to pass operating  
referendum

Operate for a few  
years with a little  
breathing room

NR expires/RR  
costs exceed  
authority

Rinse and repeat



# Identify source and reason for falling enrollment

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**Tailor student attraction/retention strategies to reason for enrollment loss (where possible)**

Is it demographics? Fewer school-age students?

Are families/students migrating out of the area?

- Large employers downsizing or relocating?
- Lack of employment opportunity
- Lack of housing availability/affordability?

Are families choosing other schools before ever trying the local public school?

Are students leaving the district to attend other schools?

- Private schools / voucher schools / independent charters
- Open enrollment out to other districts

# Explore strategies to attract/retain students

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Note: While promising, these options offer limited costs savings; have upfront costs

District-run charter schools

- Use to attract new families/staff with specific preferences through specialized offerings (e.g., Appleton)
- Can take the form of specialized academic interests (e.g., arts, STEM)

Partner with local business leaders to develop/offer specialized career pathways/academies (e.g., RUSD)

Explore learning options and platforms that cater to diverse student needs – flexible scheduling, dual enrollment, high quality virtual/blended learning...

# **Share/ consolidate services**

Shared services between school buildings

- Special education
- Art, music, library, extracurriculars like sports

Shared course offerings for students from multiple buildings

Dual enrollment – shared costs with institutions of higher education

Share/consolidate administrative positions and functions

**Goal: Retain instructional flexibility while consolidating administrative/operating costs**

# Communicate/ Engage with community

Engage with families: Continuous efforts to reconnect with missing, disengaged, chronically absent students – some districts employ a dedicated pupil services/attendance counselor (outreach to families, including home visits)

Adopt frequent community conversations to continually educate about the financial impacts of falling enrollment.

Explain interactions between:

- State aid
- Revenue limit
- Tax levy
- Revenue limit
- **Example puzzle to explain:** How a district can see declining enrollment and yet see tax levy go up

# **Communicate/ Engage with Community**

**Enact “listening” practices** for gathering feedback from parents, students, community: surveys, listening sessions, social media monitoring

Initiate conversations **about long-term structural solutions** to operating as a smaller school system

**Gain buy-in to be proactive** - avoid putting off eventually needed major structural budget strategies to adjust to new smaller revenue reality (e.g., closing schools)

Show how it preserves resources for existing students

**Too many schools for  
shrinking student  
population?**

**School closures**

## **Benefits**

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Facilities maintenance savings

Staffing cost savings (fewer building-specific positions, e.g. principals, nurses, aides...)

Opportunity to consolidate offerings for specific grades or student groups (e.g. special education) in one building – improves equity

# Challenges

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## School closures

Longer bus rides

Limited savings from staff reductions – many teachers are relocated to remaining schools

Staff vacancies (some teachers might not want to move)

Loss of community anchor/identity/employer; blight (esp. in high poverty areas)

Fewer opportunities for small, rural schools with less economies of scale – how to run a school with fewer and fewer students at each grade level?

# Challenges

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## School closures

Closing schools can cost more in the short-run (reconfiguring capital needs of existing schools, boarding up/selling costs, transportation analysis/consulting)

Staff morale/retention challenges – closures do not inspire confidence

Program cuts can harm student achievement/outcomes



# School closures: Equity implications

Does not work well in small, rural districts: Key infrastructure/staffing cannot be downsized regardless of enrollment levels

Students in closed schools are more likely to be:

- Black
- Low-income
- English learners

In districts with greater income segregation, closed schools have proportionally more low-income students than rest of district

Districts tend to close schools with relatively lower test scores; tendency is even higher where there is greater income segregation – sometimes students move to higher performing schools, sometimes not

# **District consolidation**

Retain instructional flexibility while consolidating administrative functions

Difficult conversations, but important for educational quality considerations

Long-term capital planning

Proactive exploration of strategies can advance equity, drive transportation innovations, expand instructional programs

# Key to closure/ consolidation:

## Proactive community engagement

**Inclusivity:** Start conversations with all key community stakeholders early, engage often

**Transparency:** Educate community on challenges ahead, how they relate to history, state policy

**Equity:** Analyze impacts of school closure proposals: Prioritize school closure plans that mitigate harms on specific student groups or exacerbate segregation, neighborhood disinvestment

**Build community support by showing how these steps can free up resources for program enhancement for existing students**

Summing  
it up...



# Optimal local solutions to declining enrollment need state policies that set districts up for success

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Savings from these tactics can benefit existing students by preserving programs and quality

But administrative efficiencies cannot solve the problems caused by insufficient funding for public schools

The state plays a critical role to enact policies and provide supports that put the right tools in their hands to **confront enrollment losses efficiently, equitably, and sustainably**



## **Wrap-up | Questions | Discussion**

What does all of this mean for your district? How should it shape advocacy strategies for public education now? Long-term?

# Selected considerations...

## What else?

Common narrative conflates declining enrollment with “failure of the public schools”- how to counter that narrative?

**Resource availability Catch-22:** A lot of these strategies have upfront costs or don’t hold potential for large-scale savings without sacrificing educational quality/offerings

Fiscal impact of enrollment losses cuts funding from public schools which threatens offerings – **can fuel use of non-public options...**further eroding public enrollment...

**Challenging political climate:** Recently, limited appetite among state policymakers to adequately fund public schools, address enrollment-related fiscal challenges.



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