



K-12 Demographic Change

The implications of declining Enrollment on
the State's Traditional K-12 Systems

January 16th, 2025

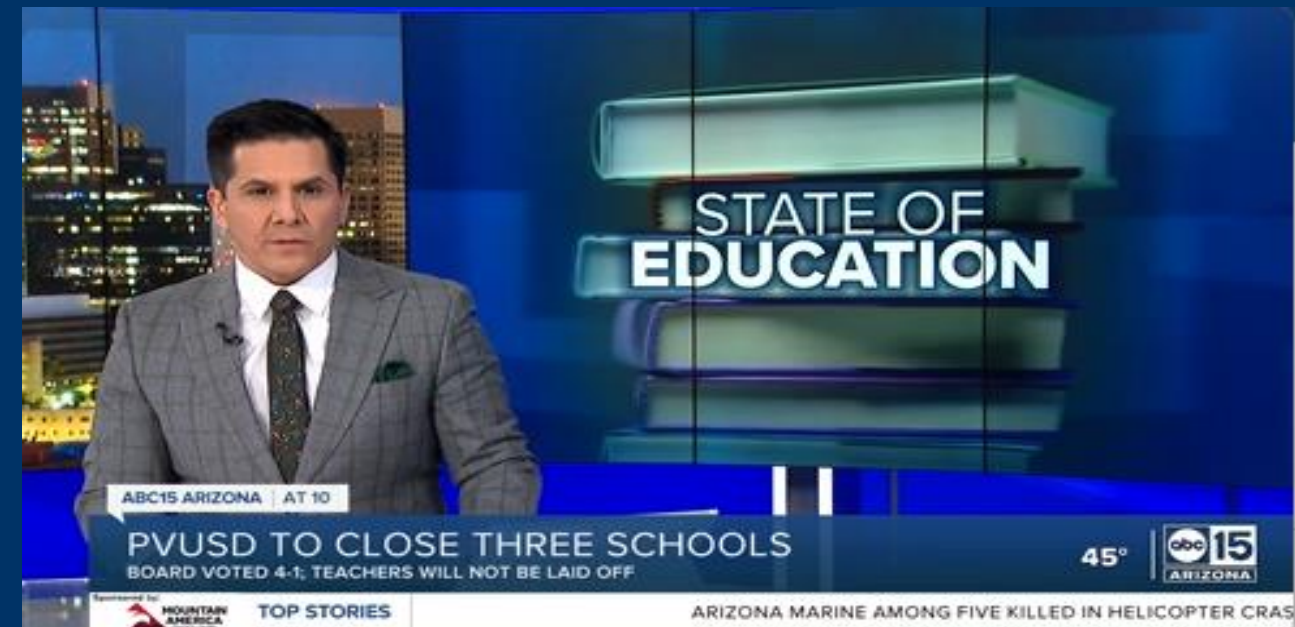
COMMON SENSE INSTITUTE ARIZONA



We believe sound fiscal and economic research is essential to uphold Arizona's economy, vitality, future, and individual opportunity.



FOX10 Dec 2024: Roosevelt School District votes to close 5 schools



ABC15 Feb 2024: Three Paradise Valley schools to close as enrollment numbers decline



FOX10 Nov 2024: Changing demographics appear to be lowering Arizona public school enrollment

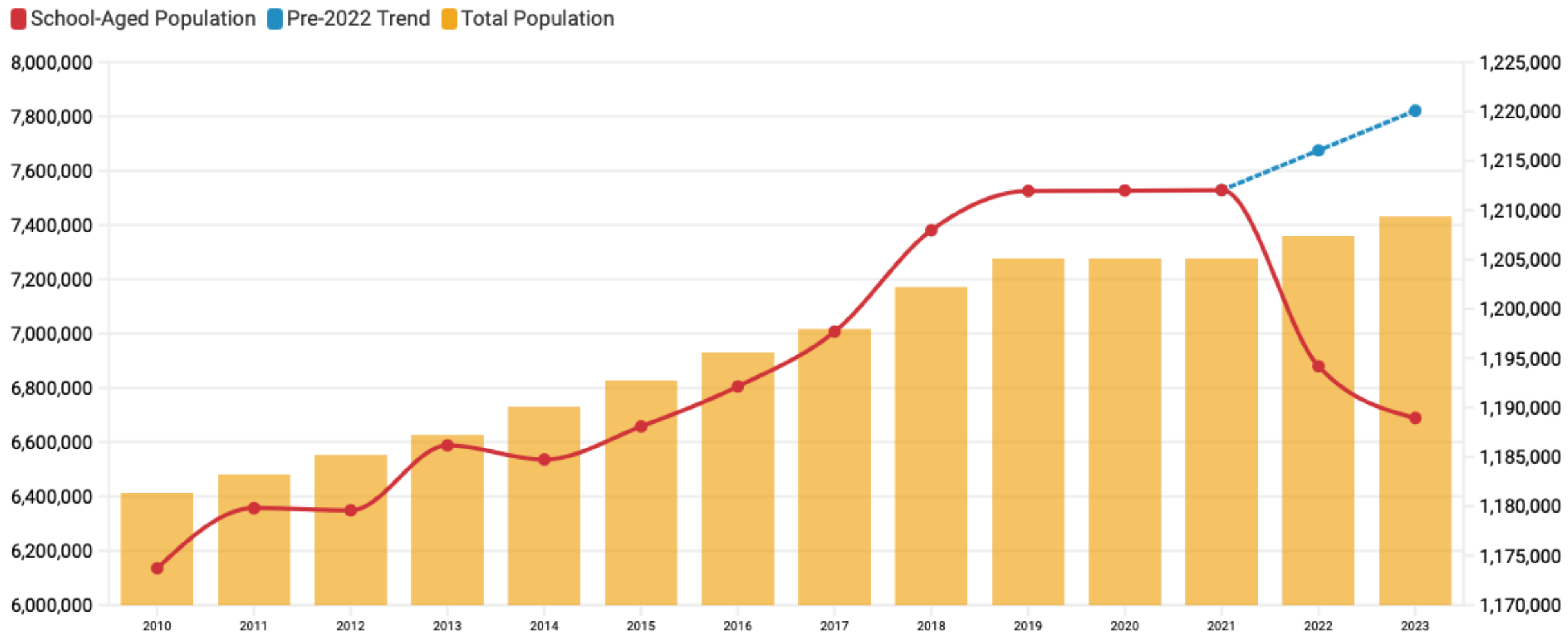


AZFamily Dec 2024: Cave Creek Unified proposes closing 2 schools amid dropping enrollment

Demographic Change Is No Longer a Future Problem

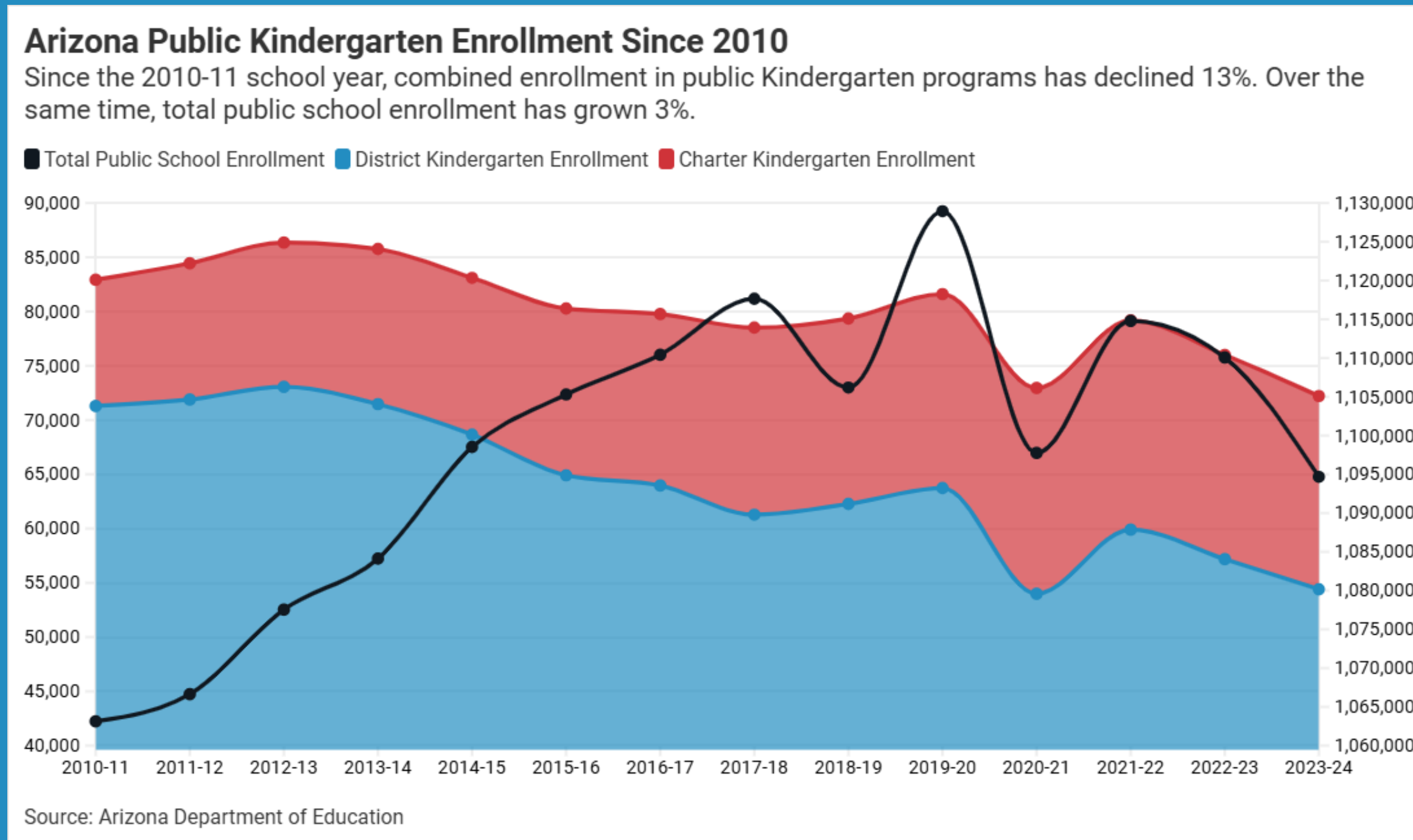
Arizona Total & School-Aged Population Since 2010

While school-aged population has historically followed total populations trend, due to demographic change this cohort has begun shrinking since 2020 (even as total population has continued increasing).

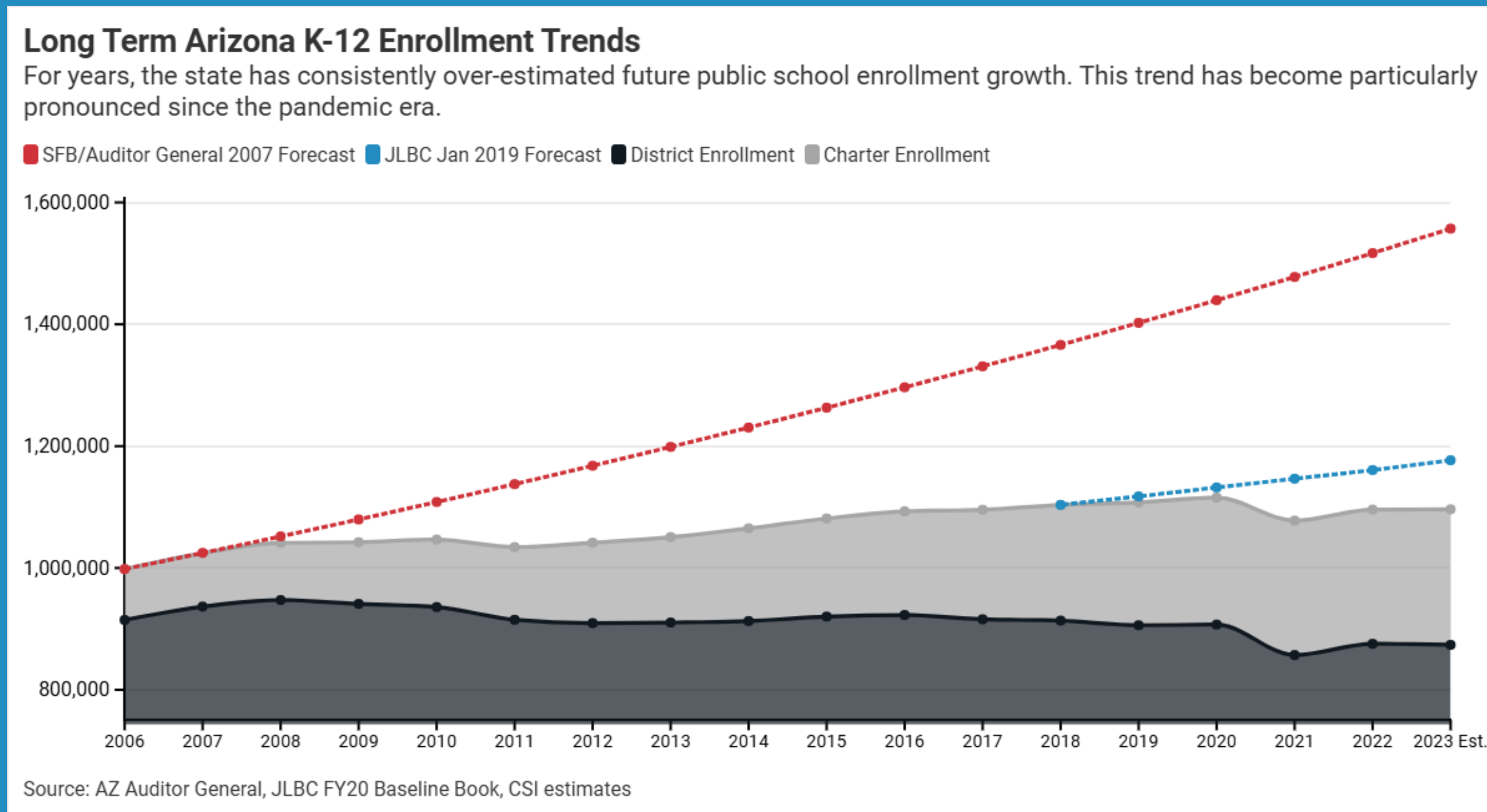


Source: American Community Survey • While CSI continues to regard the ACS-reported 5-17 year old population since 2022 as implausibly low, there are now two years worth of data supporting the trend.

Demographic Change Is No Longer a Future Problem



District Schools Haven't Grown Since 2008

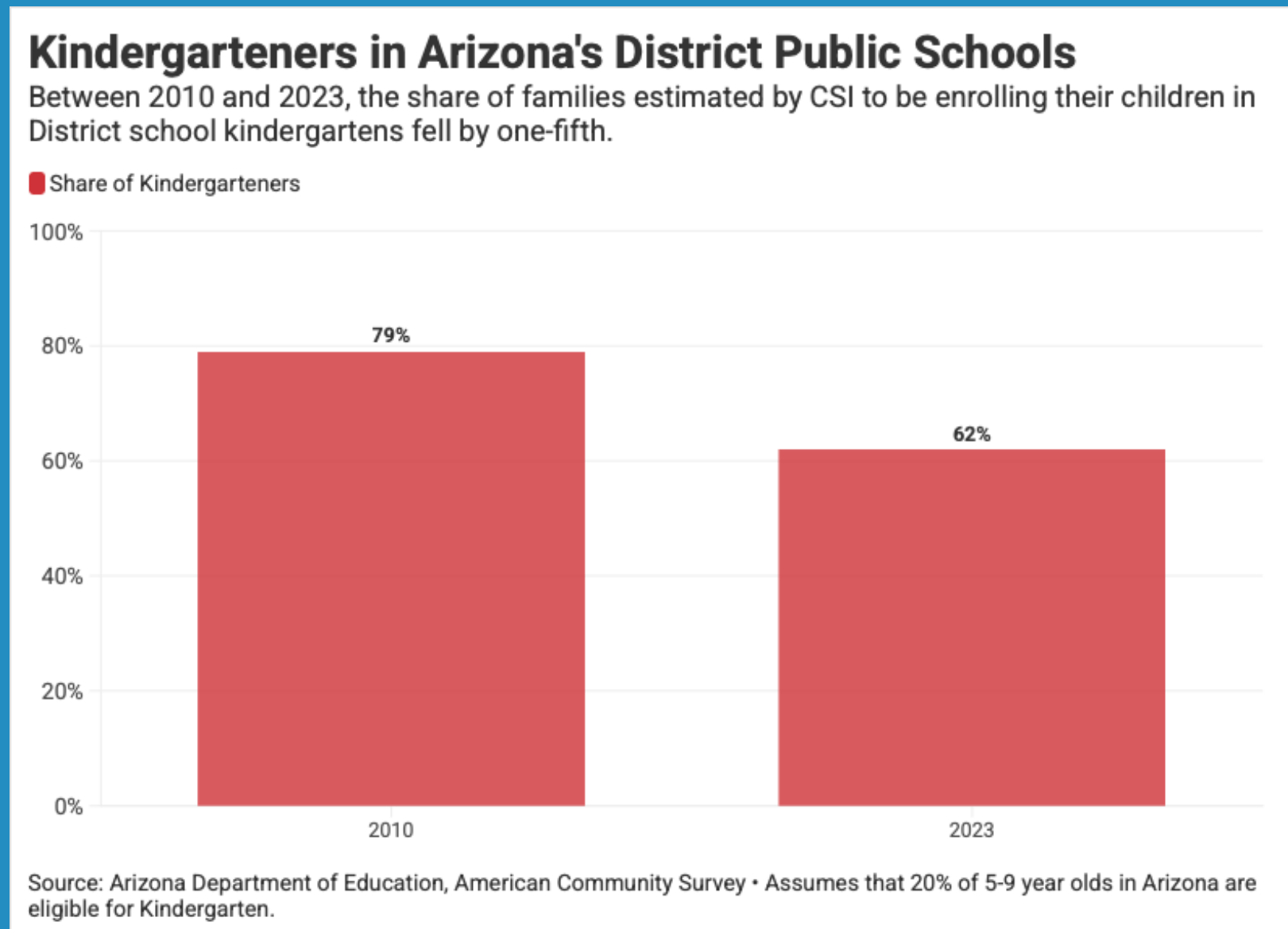


Demographic Decline Alone Doesn't Explain the Pace of Change

The pandemic dramatically changed school enrollment preferences.

Nationwide:

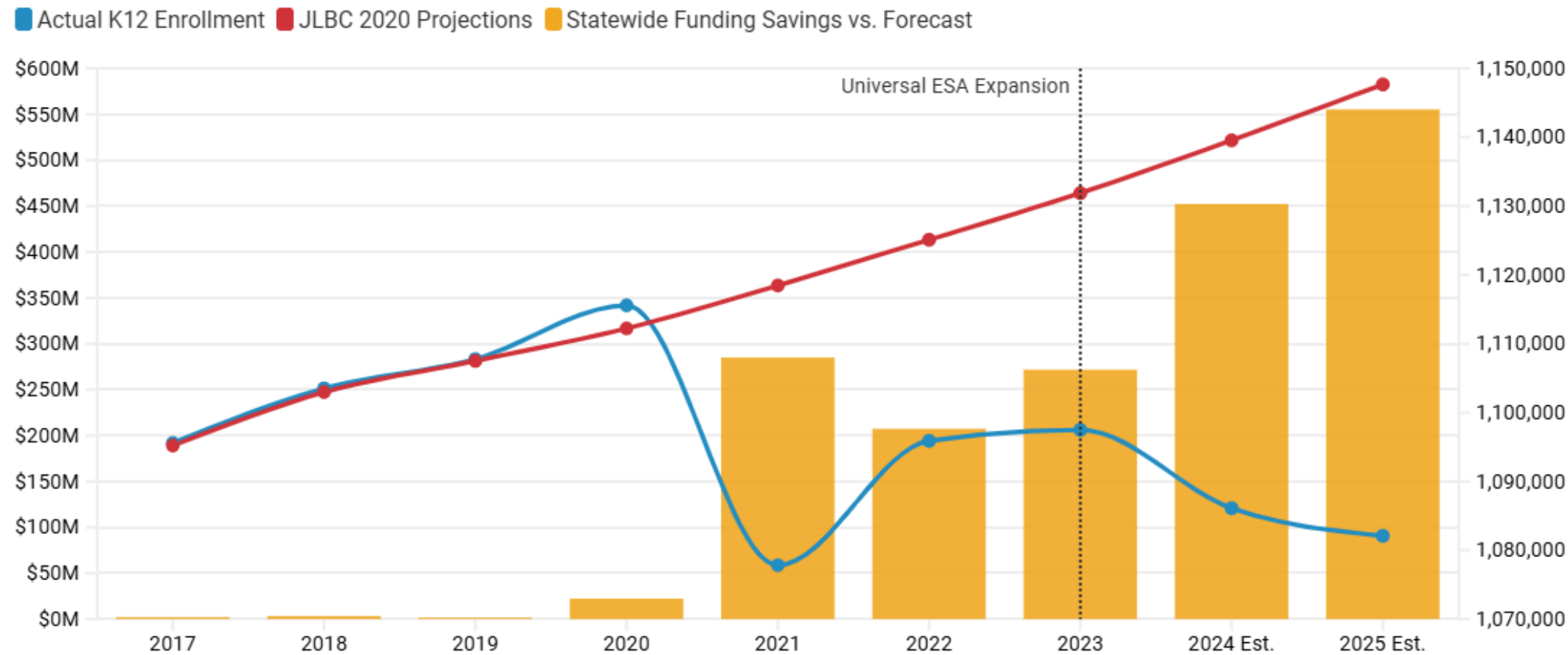
- Charter school enrollment **nearly doubled** between 2020-2022
- **55%** of surveyed private schools reported enrollment growth in SY 2021
- Homeschooling went from **2%** of the K-12 population to **11%** during the pandemic; come down but still over **6%** even today



Funding Formulas Make These Enrollment Declines Fiscally Relevant

Public School Enrollment Trends Since 2020

Arizona public school enrollment is over 53,000 students below pre-pandemic projections, saving nearly \$500M annually

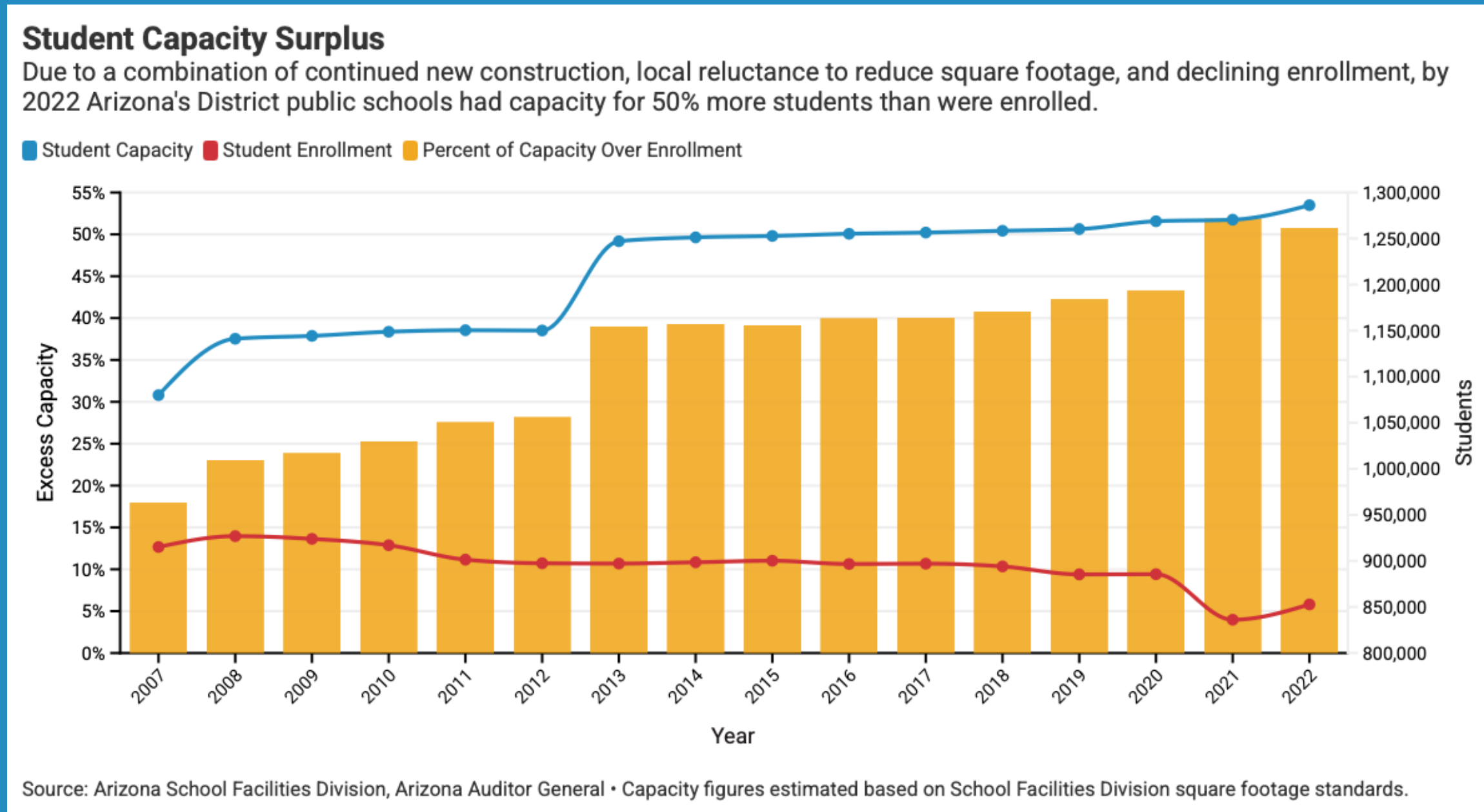


Source: JLBC K-12 Funding Report, JLBC FY2021 Baseline Book, JLBC FY2025 Baseline Book • CSI imputes an FY24 Enrollment forecast given three-year projections in the FY21 Baseline book.

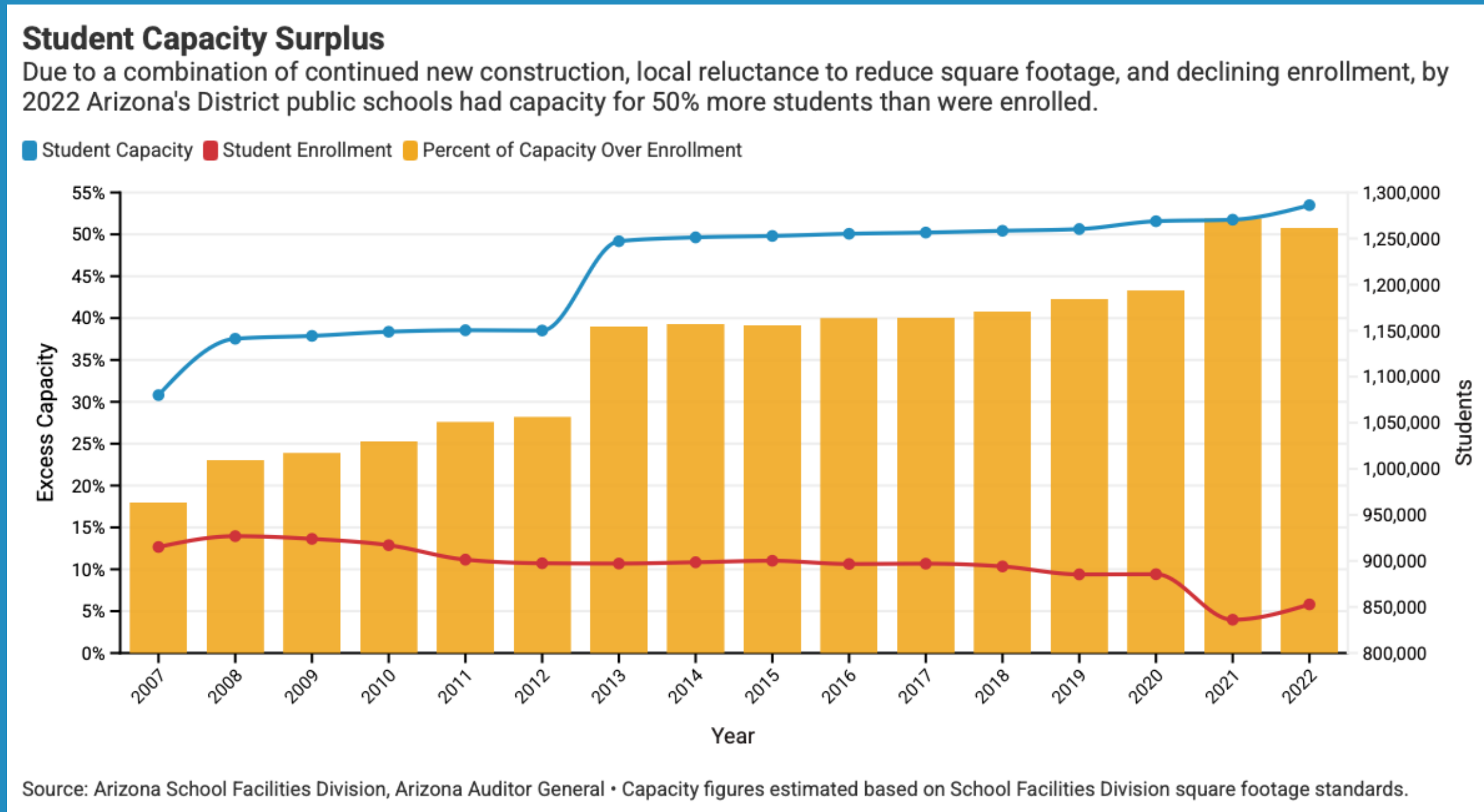
We Designed & Built A System for A Different World

Growth in student enrollment—SFB projects that Arizona's K-12 student population will grow 27 percent by 2015. This follows a 19 percent growth between fiscal years 1999 and 2006.

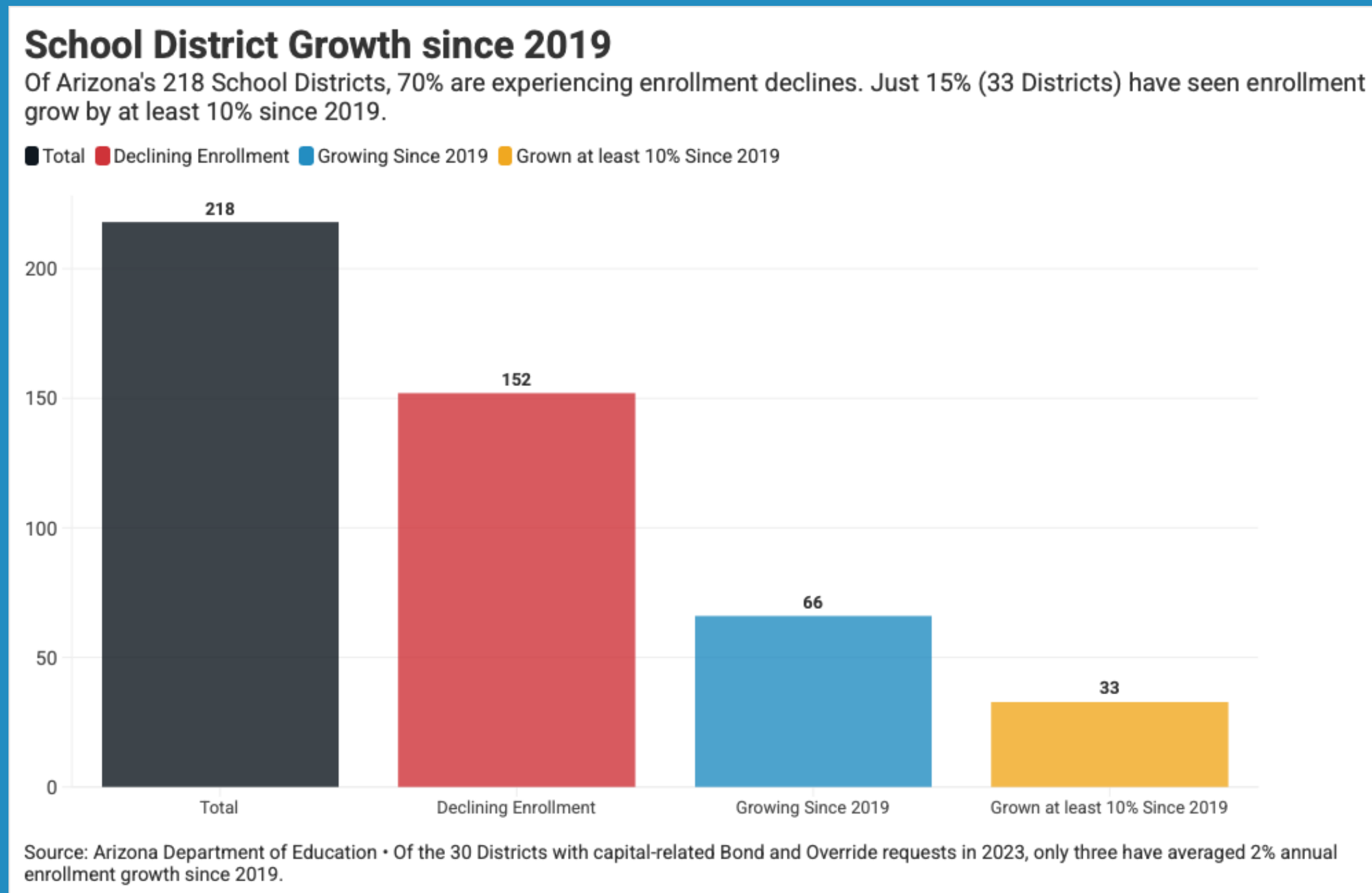
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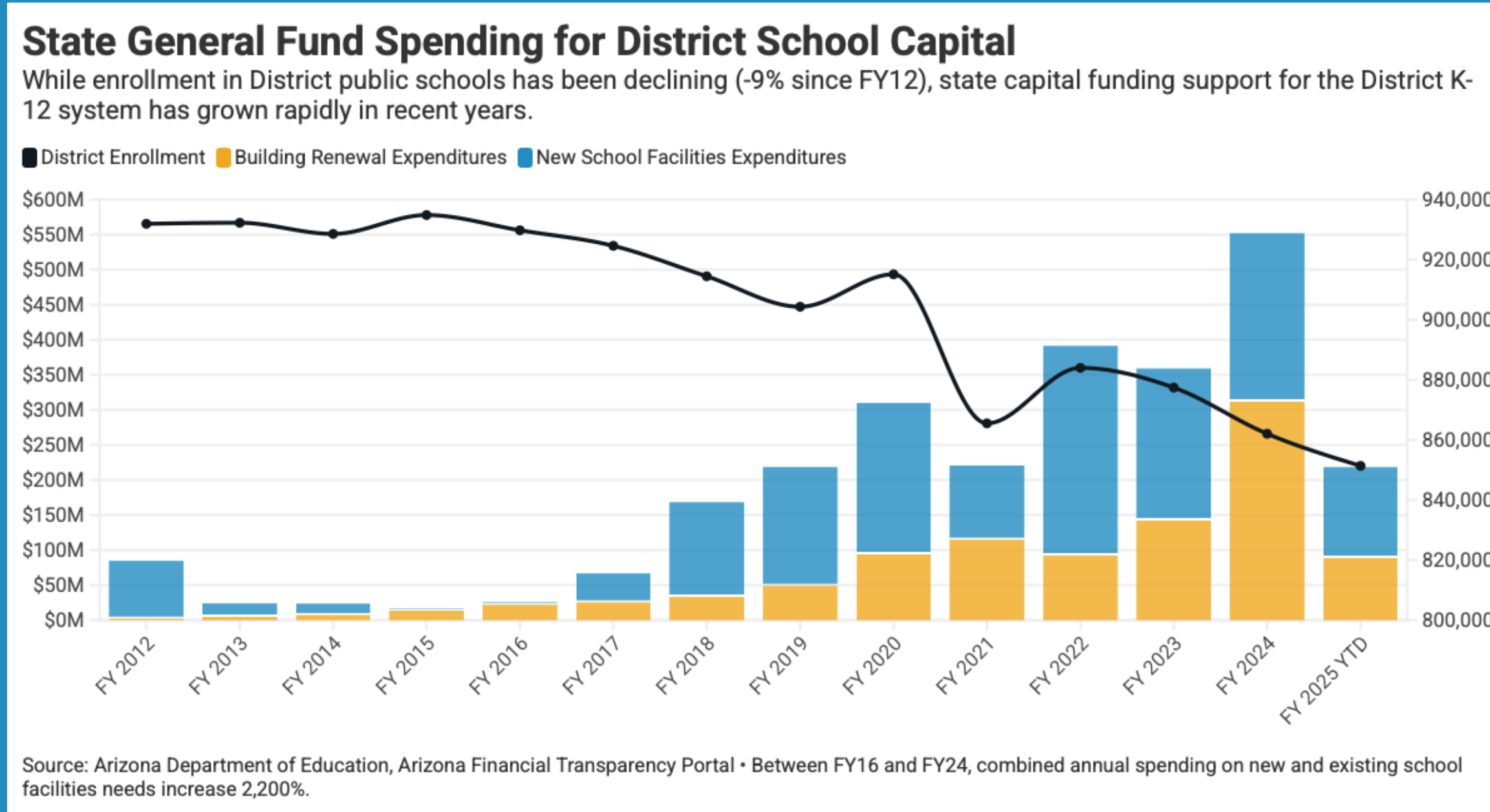
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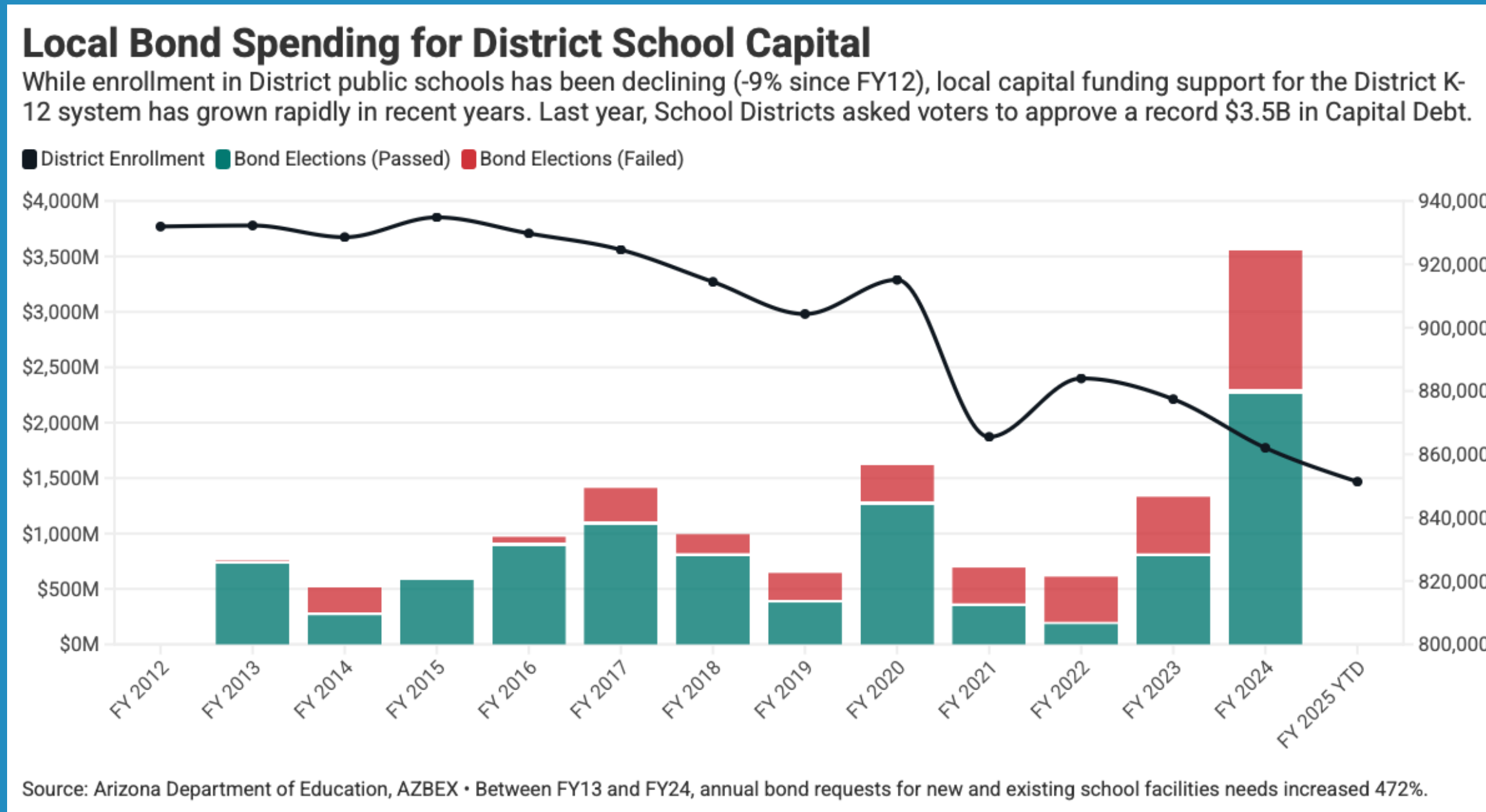
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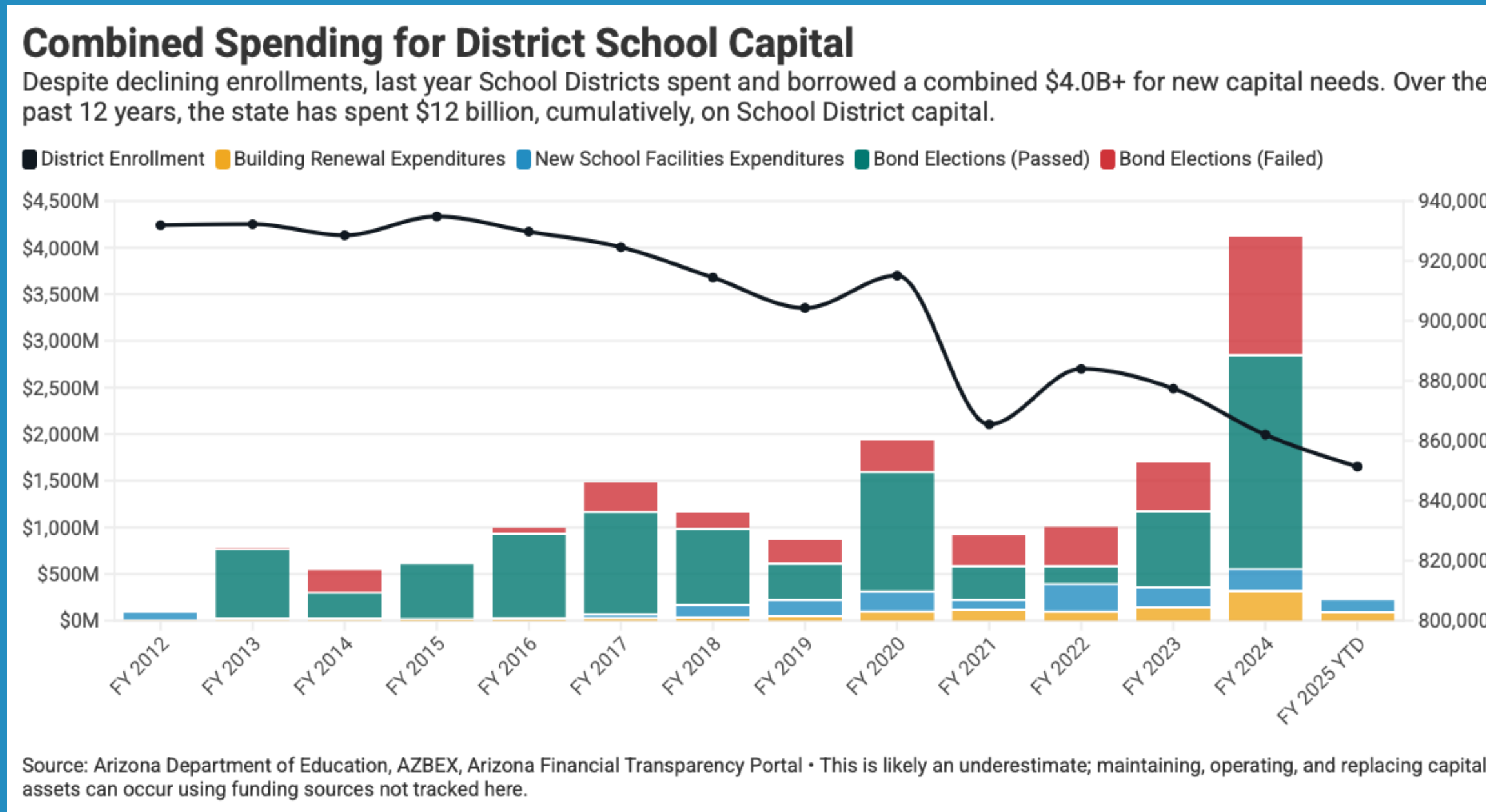
We Are Still Funding The System We Designed



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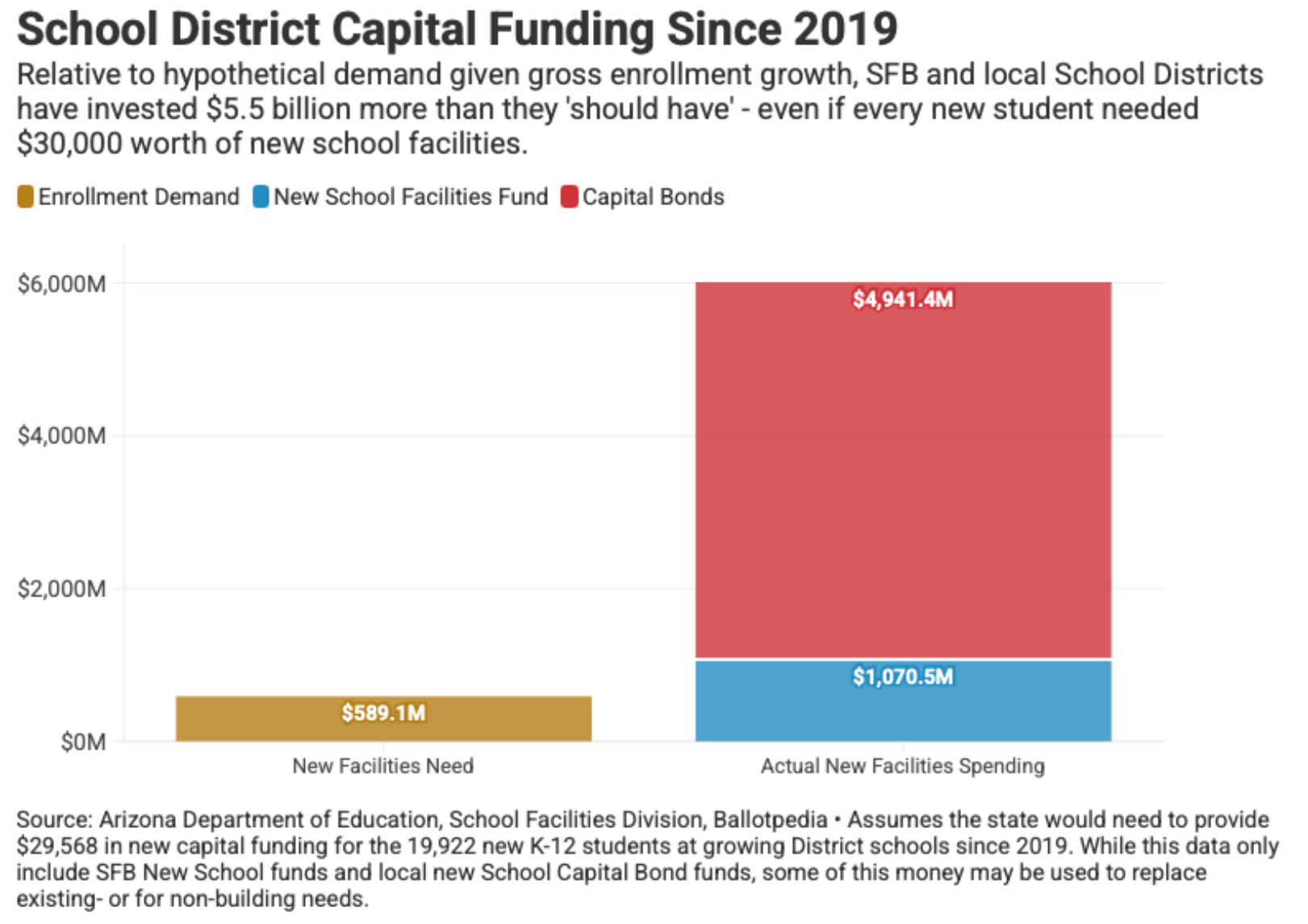


Don't We Still Need to Fund For Some Growth?

19,922: Gross enrollment increase since 2019 at growing Districts.

\$29,568: Avg. per-student cost of a new school (2023 SFB)

\$589M: Gross new facilities funding needed, SY 2019-2024



Where Do Universal ESA's Fit?

Fiction

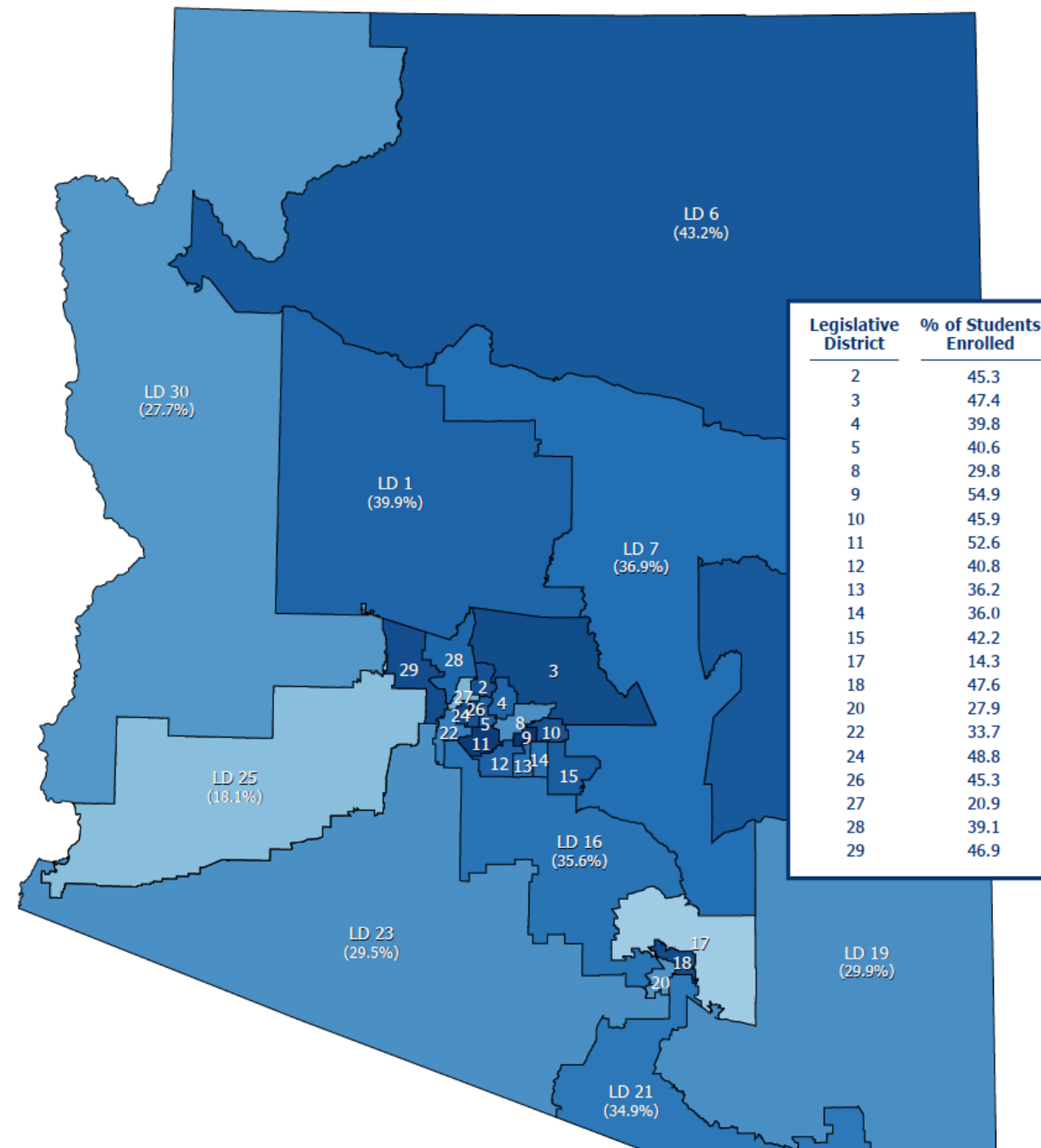
ESA's are Driving Public School Enrollment Decline

“On a larger level, the new law also speeds up the same sort of death spiral that has afflicted public schools across the country, by steadily draining funds away from public education... the money to cover children who leave public schools in coming years will be deducted from public school budgets.”[xii]

The Share of Arizona's K-12 Students Enrolled in 'Choice' Schools

Across Arizona, 38%-49% of Arizona's K-12 students are not attending their assigned District public school. These 'choice students' are open-enrolled or attending Charter, Private, or home- and micro-schools. This chart shows the relative share in each of Arizona's LD's.

% of Students enrolled in Choice Schools 0 54.9%



Source: U.S. Census Bureau, Arizona Department of Education

CSI relies on the statutorily-required ADE Open Enrollment Report to estimate non-resident enrollment. However, a review of some specific District reporting against third-party sources suggests that Report could underestimate statewide open enrollment by up to half. Our statewide range reflects this error; the shares for individual LD's do not and are likely underestimated.

Where Is This Leading Us?



AZFamily Jan. 2025: 'It's Heartbreaking': Teachers react to Mesa Public Schools upcoming layoffs



12News Jan 2023: Arizona Bond and override elections lead to disparities in school funding



ABC15 Jan 2025: Phoenix Elementary School District votes not to renew lease for ASU Prep