Getting Down to FACTS

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California Schools in Transition: Enrollment Decline, Climate Pressure, and System Capacity

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Introduction

California's K–12 system is being reshaped by sustained demographic contraction, population redistribution, rising climate disruption, and changing demands on district capacity to serve students with diverse needs, including immigrant-origin students. Districts are expected to balance budgets, maintain safe and functional learning environments, and support diverse learners, even as enrollment patterns shift and reshape the costs of staffing, facilities, and specialized programming.

District revenues remain highly reliant on student counts and attendance, which means that demographic decline quickly becomes a cash-flow problem. Yet school closures, which are often pursued as a district strategy to save money, do not always produce the expected fiscal improvements.

Meanwhile, funding for facilities is fundamentally driven by local wealth, particularly for modernization, even though enrollment growth is concentrated in lower-wealth regions and new mandates (e.g., universal transitional kindergarten (TK), expanded career technical education) create specialized space needs. These same inequities shape climate resilience, where climate and weather events account for the majority of emergency school closure requests, producing thousands of lost instructional days. In this context, the districts most exposed to wildfire, power shutoffs, and extreme heat often lack the capital capacity to finance resilience upgrades. The evidence reviewed in this brief points to a structural misalignment between state policy systems and the realities of enrollment change, climate risk, and shifting student needs.

This brief examines California's capacity to manage several major transitions at once: demographic contraction and redistribution, environmental disruption, changing facility needs, and shifting student-support demands, including the needs of immigrant-origin students. As California faces widespread enrollment decline, climate disruption, and shifting student needs, the central question is how the state's finance, facilities, and educator-support infrastructure can manage transitions that protect learning and equity, or whether misaligned systems will compound instability through fiscal stress, contested closures, degraded facilities, and unequal access to supports.

Key Findings

1 **Enrollment decline is widespread across California, but it is uneven across locales and shaped by local conditions.**

From 2014–15 to 2024–25, nearly two in three California districts experienced declining enrollment. The most extreme declines are concentrated in small and rural districts, while longer-term growth has been more concentrated in lower-wealth regions such as the Central Valley and Inland Empire.

2 **School closures are commonly justified as fiscal necessities, but they do not always generate the expected savings or fully address the financial pressures created by enrollment decline.**

Although closures can reduce district expenditures, those savings may be offset by declines in revenue or by costs that remain fixed in the short term. As a result, closures do not always improve per-pupil fiscal balance or increase the likelihood that districts achieve balanced budgets.

3 **Facilities funding remains driven by local wealth, reinforcing inequity alongside climate disruptions.**

California's facilities finance system continues to advantage higher-wealth districts, even as enrollment growth and high-need students are concentrated in lower-wealth regions (Hinkley and Vincent). At the same time, climate disruption and mandate-driven facility needs are increasing pressure on a capital system that is poorly positioned to support resilience and equitable modernization.

4 **Immigrant-origin students face persistent opportunity gaps, and educators often report feeling underprepared to meet their needs.**

California has substantial disparities between emergent multilingual learners and their peers across key state indicators, alongside higher chronic absenteeism and slow reclassification rates (Sattin-Bajaj). The evidence also suggests that educators often lack preparation and support to address newcomer education, migration-related stressors, and the academic and social-emotional needs of immigrant-origin students.

The Evidence Behind These Findings

Enrollment decline is widespread across California, but it is uneven across locales and shaped by local conditions

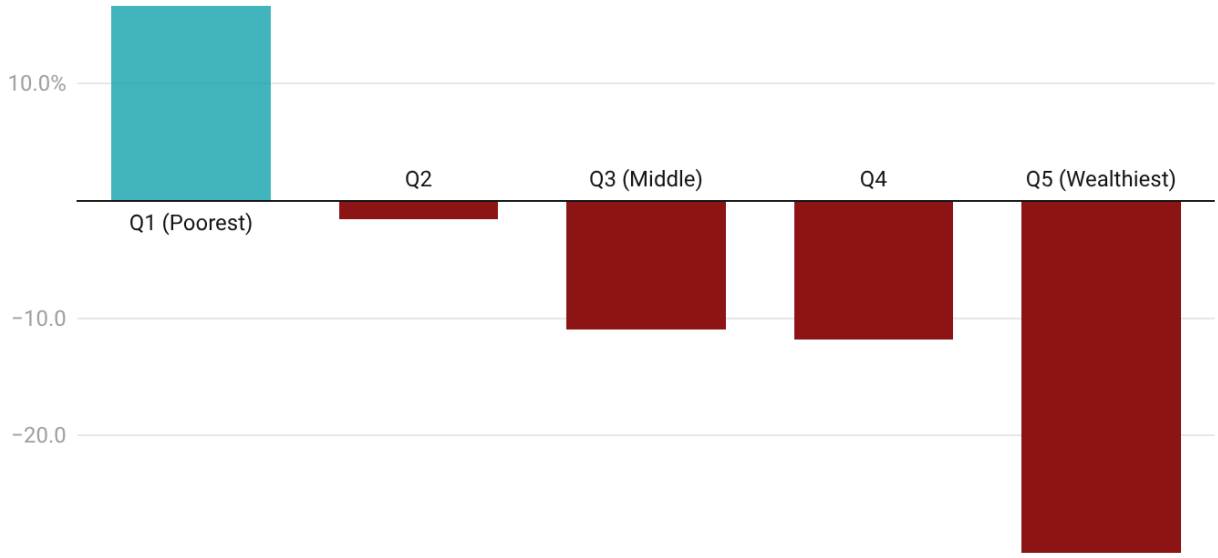
Makori and Noguera examine district enrollment change across California from 2014–15 to 2024–25 and show that enrollment decline is the dominant statewide condition, with nearly two in three districts reporting declines. At the same time, the pattern is far from uniform. The steepest percentage declines are concentrated in small and rural systems, especially in the most remote and distant locales, where small enrollment bases leave little buffer for district financial stability. In the enrollment-change distribution, some districts experienced near-total contraction. For example, Ravendale-Termo Elementary in Lassen County declined from 665 students to 3, a 99.55 percent drop, and Mattole Unified in Humboldt County declined from 780 to 42, a 94.62 percent drop. Additional examples of steep decline appear across rural, town, suburban, and county office systems, as shown in Table 1.

Table 1. CA districts with the greatest % decrease in enrollment, 2014-15 to 2024-25

District	County	Enrollment (2014-15)	Enrollment (2024-25)	% change	Locale Classification	Sub-Locale
Ravendale-Termo Elementary	Lassen	665	3	-99.55	Rural	Remote
Mattole Unified	Humboldt	780	42	-94.62	Rural	Remote
Amador County Office of Education	Amador	209	23	-89.00	Town	Distant
Mt. Baldy Joint Elementary	San Bernardino	167	20	-88.02	Rural	Fringe
Mupu Elementary	Ventura	917	175	-80.92	Town	Fringe
Lassen County Office of Education	Lassen	30	6	-80.00	Rural	Distant
Los Olivos Elementary	Santa Barbara	471	159	-66.24	Rural	Fringe
Santa Barbara County Office of Education	Santa Barbara	309	107	-65.37	City	Midsize
Loleta Union Elementary	Humboldt	227	82	-63.88	Rural	Distant
Sonoma County Office of Education	Sonoma	769	278	-63.85	Suburban	Large

Makori and Noguera also document county-level clustering at both the decline and growth tails, suggesting that regional dynamics, especially housing markets and population redistribution, shape where enrollment change is concentrated rather than producing uniform decline across the state. Hinkley and Vincent similarly show that local conditions matter. Since 1998, the wealthiest districts have lost a median of 25 percent of enrollment, while the poorest have gained 15 percent. Growth has been concentrated in the Central Valley and Inland Empire, where districts are more likely to be lower-wealth, serve larger shares of Hispanic students, and enroll higher proportions of high-need students. As shown in Figure 1, enrollment change varies systematically by local property wealth, underscoring that demographic change in California is not simply a story of decline, but of uneven redistribution with important implications for district capacity and equity.

Figure 1. *Median enrollment change by quintile of local property wealth (1998-2025)*



Quintiles are equal numbers of districts based on assessed property value per student in 2024

Source: California Department of Education / Eastshore Consulting • Created with Datawrapper

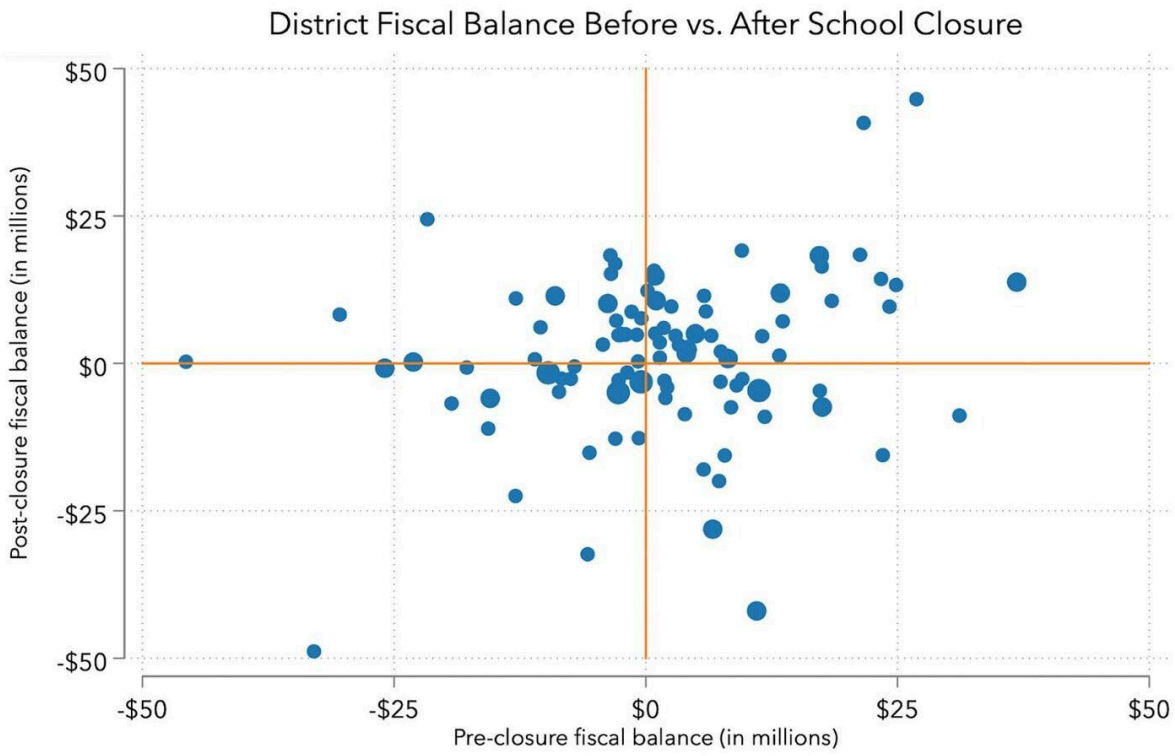
School closures are commonly justified as fiscal necessities, but they do not always generate the expected savings or fully address the financial pressures created by enrollment decline

Pearman provides causal estimates of the fiscal effects of entering a school-closure regime for California public school districts between 2011 and 2019. Using a synthetic difference-in-differences

design with event-study diagnostics, the analysis shows that districts that later closed schools were not on sharply different fiscal trajectories before closure relative to their synthetic counterparts. This strengthens the inference that later differences are associated with closure regimes rather than preexisting financial trends.

Pearman finds that closures are associated with statistically significant reductions in per-pupil expenditures. However, those savings are offset by contemporaneous declines in per-pupil revenue. As a result, per-pupil funding deficits and the probability of achieving a balanced budget remain statistically unchanged on average. Figure 2 illustrates this relationship between pre-closure and post-closure fiscal balance. The broader implication is that closures are an uncertain and incomplete fiscal strategy. Under current conditions, closures may reduce some costs, but they can leave districts with continuing fiscal pressures tied to declining enrollment, fixed costs, facility needs, and community disruption.

Figure 2. *The relationship between pre-closure and post-closure fiscal balance*



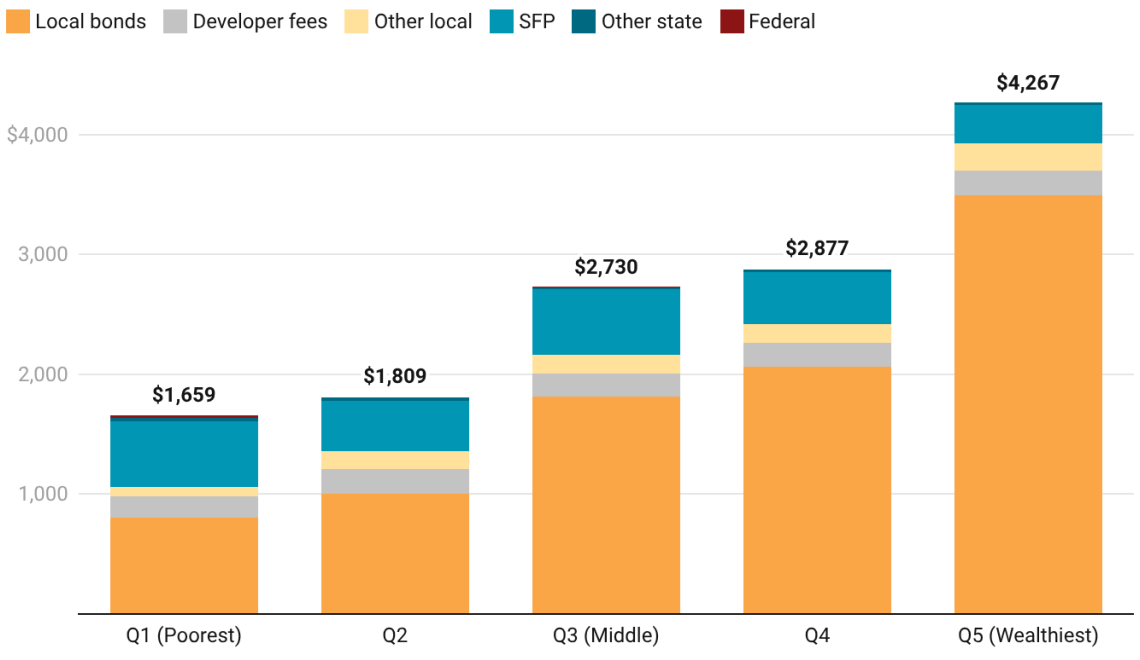
District Fiscal Balance Before vs. After School Closure. Each marker represents a single district. Axes are scaled in millions of constant 2019 dollars. Sample restricted to districts enrolling at least 5,000 students with at least one closure between 2011 and 2019; three outlier districts exceeding $50 million in surplus or deficit are excluded. Orange reference lines denote fiscal balance ($0) on each axis.

Facilities funding remains wealth-driven, reinforcing inequity alongside climate disruptions

Hinkley and Vincent show that California's school facilities finance system remains fundamentally driven by local property wealth and increasingly reliant on local capacity. From 2004 to 2025, districts in the highest assessed value quintile received $4,267 per pupil in total capital revenue, nearly 2.6 times the $1,659 received by the poorest quintile. Most of this gap is driven by local general obligation bonds. Over time, the local share of total capital revenue has grown from 74 percent in 2005 to nearly 90 percent in 2024–25, deepening dependence on property wealth.

Within the School Facility Program, modernization funding, its largest component at $24 billion from 1998 to 2025, continues to be allocated through a first-come, first-served queue that disproportionately advantages higher-wealth districts. Financial hardship, the program's main equity mechanism, accounts for only 5 percent of modernization spending. Proposition 2 in 2024 provided $8.5 billion for K–12 facilities, but its narrow sliding-scale match of 60 to 65 percent is insufficient to change these patterns, and the queue for the $4 billion in modernization funds was full before the bond was even approved, with an additional $1.5 billion in applications that will have to wait for a future bond. As shown in Figure 3, capital revenue sources vary sharply by local property wealth.

Figure 3. *Capital revenue sources by quintiles of assessed property value per student*



Quintiles are based on assessed value per student in 2023-24. Each quintile contains the same # of districts.
Capital revenues are from 2004-25, adjusted to 2025$ using Turner Construction Index

Created with Datawrapper

The same report shows that climate disruption and new mandates are increasing facility needs in ways the current system is poorly positioned to address. Using statewide J-13A emergency closure requests from 2016 to 2026, Hinkley and Vincent find that climate and weather events account for nearly 80 percent of emergency closures, affecting more than 777 districts and totaling roughly 10,900 lost instructional days. Wildfire alone represents nearly one-third of closure records and about half of emergency days, with public safety power shutoffs emerging as a major secondary disruptor. These climate risks are unevenly distributed across regions, while demographic shifts create divergent facility pressures. New mandates such as universal transitional kindergarten and expanded career technical education require specialized classrooms and labs that the current funding system cannot equitably support. Dedicated TK facility funding of $4.4 billion is nearly fully spent, with no accounting of remaining need and no ongoing dedicated funding source. These patterns raise concerns about whether California's capital priorities are aligned with modernization, climate resilience, and mandate-driven space needs as enrollment patterns shift.

Immigrant-origin students face persistent opportunity gaps, and educators often report feeling underprepared to meet their needs

As districts navigate enrollment decline and changing local conditions, they are also serving increasingly diverse student populations with distinct needs. Sattin-Bajaj combines analysis of state indicators with a systematic review of federal and California policies shaping immigrant-origin students' educational rights and supports, along with new evidence on educator preparedness. The report documents large and persistent disparities between emergent multilingual learners (EMLs) and non-EML peers in proficiency, college and career readiness, and graduation rates, as well as higher chronic absenteeism among EML students and slow reclassification rates. Where data are available, newcomer students show even larger graduation gaps, and migratory students perform lower than peers across key performance and engagement measures.

The report also presents evidence on the effects of immigration enforcement activity and mixed-status stress on students' mental health, behavior, and school engagement, underscoring the importance of clear school protocols and accessible supports. While the State of California has demonstrated leadership in developing statewide laws, policies, and requirements for LEAs about how to respond to immigration enforcement officers' attempts to access school grounds or student records, the same attention has not been paid to educator preparation and development to attend to these challenges. A review of California's Teacher Performance Expectations finds that migration, immigration policy, undocumented status, and migration-related trauma are not mentioned in the standards that guide teacher preparation. Survey data on teacher candidates' prior knowledge likewise suggest uneven preparation. As shown in Table 2, before entering their teacher preparation programs, 21 percent of candidates from three California-based teacher education programs reported having little or no

information about immigrants' experiences in the United States, and 26 percent reported having little or no information about immigration enforcement and its effects on children and families. Across surveys, interviews with teacher candidates, and a two-year ethnographic study of junior high schools, educators reported feeling underprepared to serve newcomer students, citing limited guidance on appropriate expectations and strategies, weak English language development curriculum and expertise, extensive literacy and numeracy needs among students with interrupted formal education, insufficient bilingual mental health supports, and uncertainty about how to respond to enforcement-related crises.

Table 2. Teacher Candidates' Reported Level of Information about Immigrants and Immigration-enforcement Prior to Enrolling in their Teacher Preparation Program

Before you started the TEP program, how informed were you about immigrants' experiences in the United States?			
Program	**Not at all or a minimal amount (%)**	**Moderate or some amount (%)**	**A lot (%)**
TEP 1 (n = 42)	31	40	29 (12)
TEP 2 (n = 59)	24	42	34 (20)
TEP 3 (n = 64)	11	40	48 (31)
TOTAL N=165	**21% (N=34)**	**41% (N=68)**	**38% (N= 63)**
Before you started the TEP program, how informed were you about working immigration enforcement and its impacts on children and families?			
Program	**Not at all or a minimal amount (%)**	**Moderate or some amount (%)**	**A lot (%)**
TEP 1 (n = 41)	44	41 (17)	15 (6)
TEP 2 (n = 59)	31	44 (26)	25 (15)
TEP 3 (n = 64)	10	55 (35)	35 (22)
TOTAL N=164	**26% (N=42)**	**48% (N=78)**	**26% (N= 43)**

Implications for California

Across the four studies, a consistent through line is that demographic change tightens district financial flow, amplifies pressure on the physical learning environment, and demands new and different kinds of expertise from educators and leaders. Policy responses that treat these pressures as isolated district problems risk compounding instability and inequity, largely because the mechanisms identified connect across finance, facilities, climate, and student supports.

Reducing fiscal volatility during enrollment change

The evidence suggests the importance of reducing fiscal volatility during enrollment change so districts can plan more effectively for the future. As enrollment declines across many regions of the state, California is also exploring a shift to enrollment-based funding through Senate Bill 98. The bill, which passed in 2024, aims to reduce the effects of chronic absenteeism by allocating school funding to local education agencies based on average daily membership, while also providing extra funding to districts that submit enrollment data and show efforts to reduce chronic absenteeism. These shifts suggest that the state is beginning to explore new ways to fund districts more equitably amid declining enrollment, and they point to the value of additional protections against anticipated decline to support fiscal stability.

Providing proactive state guidance for difficult local transitions

The evidence also points to the need for more proactive state support as districts respond to enrollment decline, facility pressures, climate risk, and changing student needs. At present, state support is often strongest once districts are already in fiscal distress, but many of the hardest decisions, including whether to close or consolidate schools, arise before a formal crisis. California could play a more constructive role by providing clearer guidance, analytic tools, and technical assistance to help districts assess enrollment trends, fiscal tradeoffs, facility conditions, transportation effects, community impacts, and student equity implications before decisions become urgent. This would not remove local responsibility for difficult choices, but it could help ensure that local decisions are made with better information and within a more coherent statewide framework.

Aligning facilities strategy with equity, climate resilience, and current needs

The evidence points to the importance of reforming how California distributes school facility dollars so that capital funding is better aligned with current needs. The allocation of modernization funding through first-come, first-served queues with minimal equity adjustments systematically advantages districts with greater local capacity, even as enrollment growth and high-need students are increasingly concentrated in lower-wealth regions. A needs-based approach to modernization and climate resilience

would better prioritize districts facing the greatest exposure to wildfire, heat, and power shutoffs by supporting core investments such as HVAC and filtration, backup power, and heat mitigation. The findings also suggest the importance of aligning facilities planning with mandate-driven demands, including specialized TK classrooms and CTE labs, so that implementation is not constrained by local wealth.

Building better data infrastructure for facilities and resilience planning

Improving the state's ability to target facilities and resilience investments appears to depend on closing the data gap identified by Hinkley and Vincent. California lacks a comprehensive inventory of facility conditions, ages, and system adequacy, and relevant information is scattered across agencies that were not designed to integrate their records. A linked statewide facilities and finance data infrastructure would make it easier to identify where needs are greatest, monitor whether investments reach high-need communities, and evaluate whether capital spending is reducing instructional disruption and improving learning conditions.

Supporting immigrant-origin students through educator capacity and targeted supports

The evidence on immigrant-origin students indicates that equity-focused supports and educator capacity-building are central to the state's response to demographic change. The findings suggest the importance of credentialing standards, professional learning, and district support systems that explicitly address newcomer education, migration-related stressors, and enforcement-related contingencies, alongside strong English language development instruction and bilingual academic and mental health supports. Without stronger attention to these supports, demographic change is likely to continue reproducing opportunity gaps for emergent multilingual learners and other immigrant-origin students, even where districts succeed in stabilizing enrollment and facilities.

Conclusion

California's schools are experiencing demographic decline in many regions, rising climate disruption, and persistent inequities for immigrant-origin students. The evidence in this brief suggests that these pressures are interacting through the state's finance, facilities, and support systems in ways that can amplify instability rather than ease it. Enrollment decline strains district finances, climate disruption increases pressure on already unequal facilities systems, and gaps in educator preparation and student supports leave many immigrant-origin students without the conditions they need to thrive.

The broader implication is that these are connected challenges shaped by policy structures that determine whether districts can adapt effectively and equitably. A more coherent statewide response

would depend not only on how California funds schools, but also on how it aligns facilities planning, climate resilience, and student support systems with changing local conditions. Without that alignment, demographic and environmental change will continue to produce unevenness and strain across the state.

GDTF References

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