

Appendix IX: Enrollment and fiscal health for sample

Table 1 summarizes the distribution of the 135 school districts in the survey sample with regard to their past enrollment history (2002-03 to 2004-05) and our determination of their fiscal health.

Table 1. Sample Districts – Enrollment Change by Fiscal Health

Change from 2002-03 to 2004-05	Percent of Districts			
	Healthy	Marginal	Unhealthy	Total
Decline	43.9%	24.2%	31.8%	100.0%
Increase	34.8%	43.5%	21.7%	100.0%
All Sample Districts	39.3%	34.1%	26.7%	100.0%

The data show that districts experiencing declining enrollment are overrepresented in both the fiscally healthy and unhealthy groups and underrepresented in the marginal group. Districts with increasing enrollments show the opposite relationships.

These data conflict with the finding for districts statewide that showed that those with declining enrollment are more likely to be unhealthy.

One important consideration is that basic aid districts – districts whose property taxes are so great that they do not qualify for state aid to maintain their revenue limit – are overrepresented in this sample. The resources available to basic aid districts are not a function of enrollment, but rather of local property tax growth. Thus, these districts could be experiencing enrollment declines and yet not face the types of fiscal challenges that revenue limit districts must address. This survey, therefore, would identify these districts as fiscally healthy and yet declining in enrollment.

In addition, our analysis found that the sample districts as a whole did not suffer the magnitude of enrollment losses experienced by districts statewide. Over the 2002-03 through 2004-05 period, 4.4% of the sample districts versus 7.3% of the districts statewide experienced enrollment declines exceeding 10%. Similarly, 14.8% of the sample districts versus almost one in five districts statewide faced declines of at least 5%. Thus, the sample districts did not face the level of enrollment losses experienced statewide and therefore the fiscal consequences of these losses would not be as significant.