



# K-12 Enrollment and COVID-19 Impacts

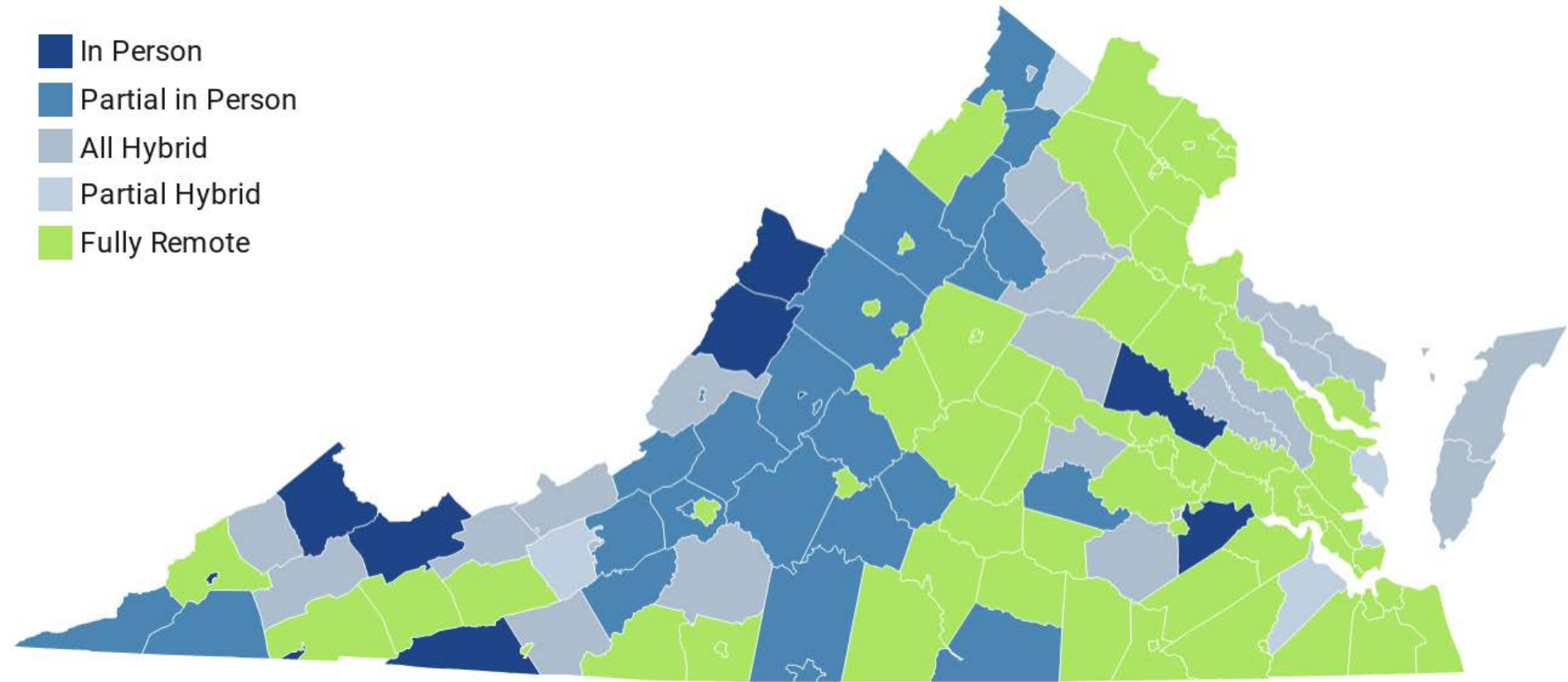
November 17, 2020

Prepared by House Appropriations Committee Staff

# School Reopening Status: September

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- In Person
- Partial in Person
- All Hybrid
- Partial Hybrid
- Fully Remote



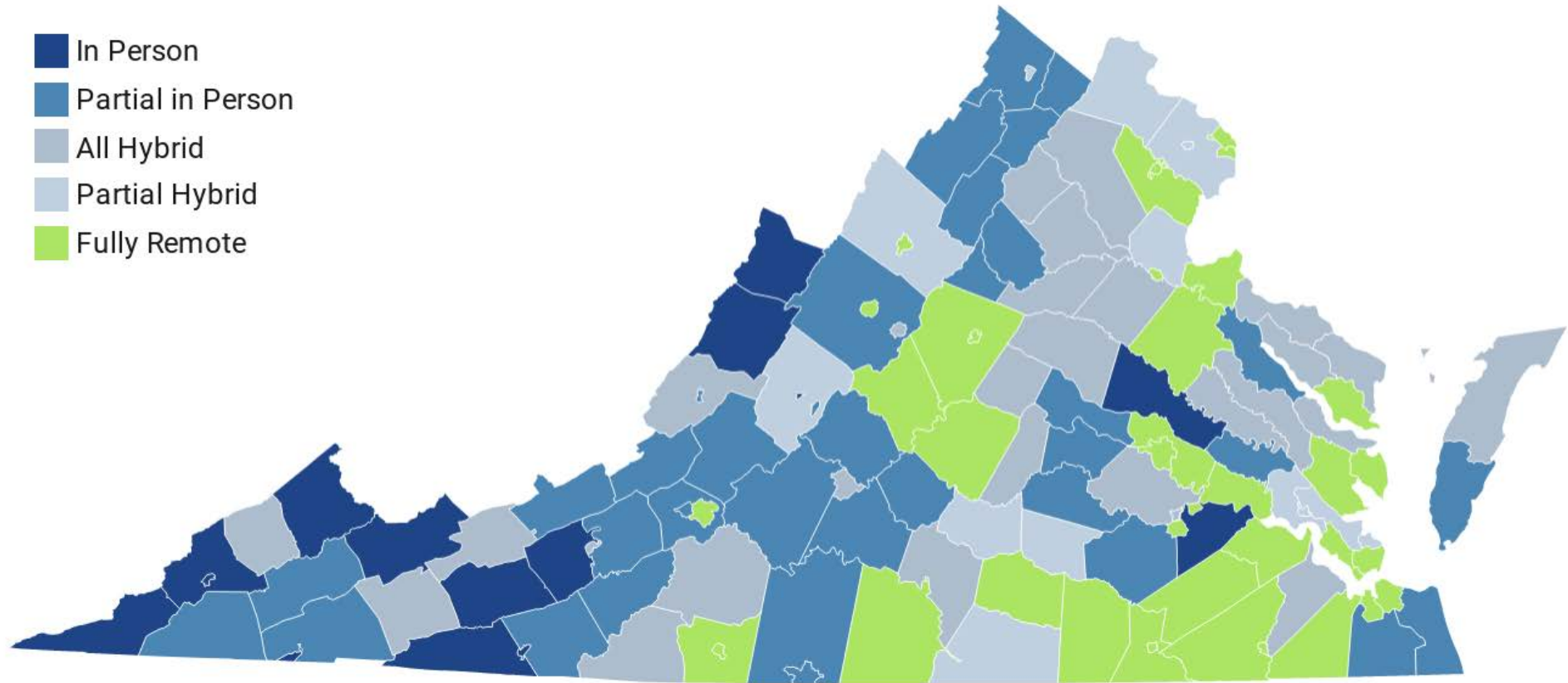
Source: VDOE



# School Reopening Status: November

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-  In Person
-  Partial in Person
-  All Hybrid
-  Partial Hybrid
-  Fully Remote



Source: VDOE



# School Reopening Status

Status	Number of School Divisions		Percent of Statewide Enrollment	
	September	November	September	November
<b>In Person</b>	10	15	3%	4%
<b>Partial In-Person</b>	26	36	11%	21%
<b>All Hybrid</b>	24	30	6%	14%
<b>Partial Hybrid</b>	5	12	1%	27%
<b>Fully Remote</b>	67	39	79%	34%

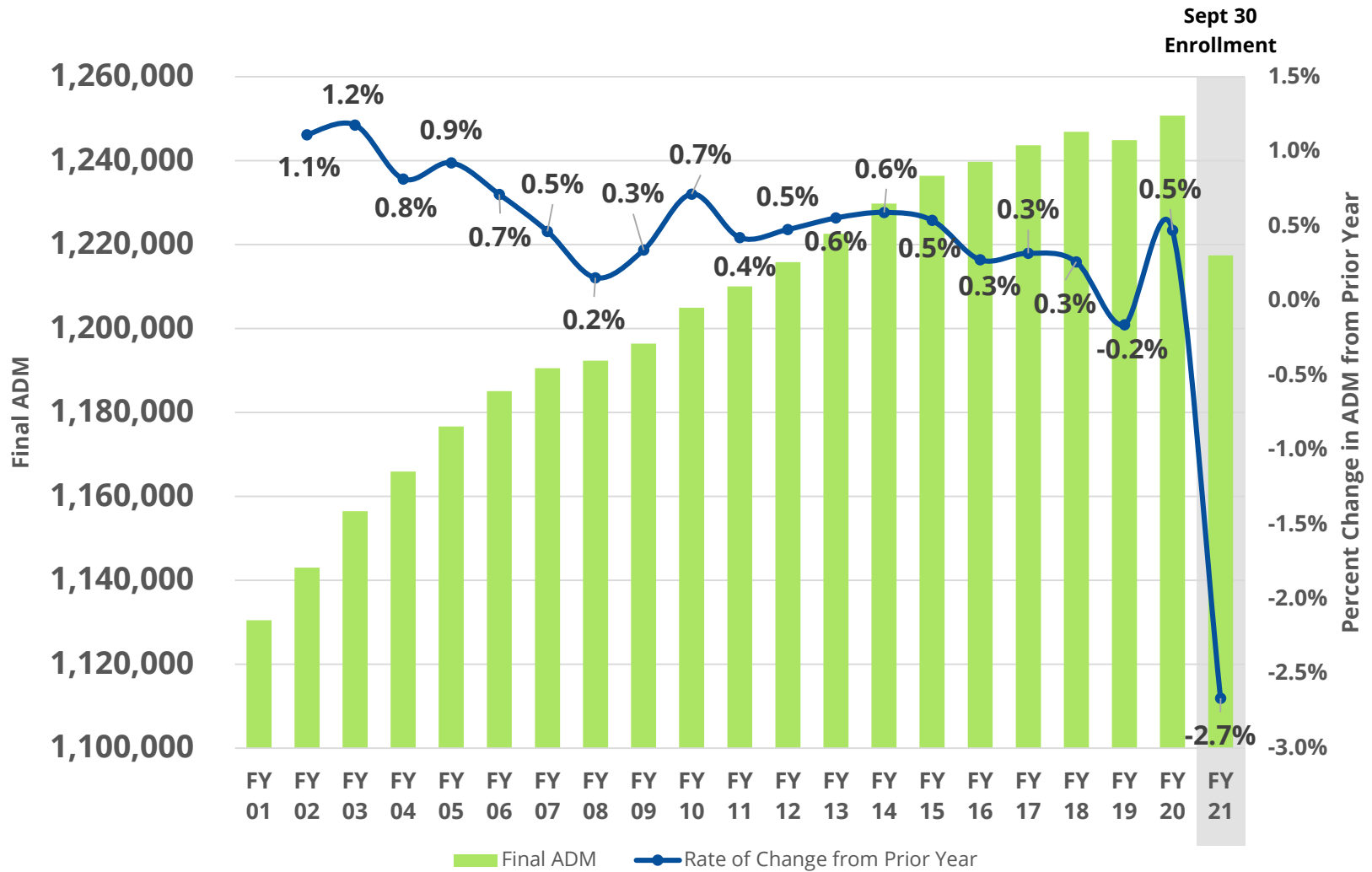
Note: All school divisions offer a fully-remote option.

Source: VDOE. Percent of students based on Fall membership counts for each school division.



# Enrollment Growth Trends

HAC  
Projected ADM

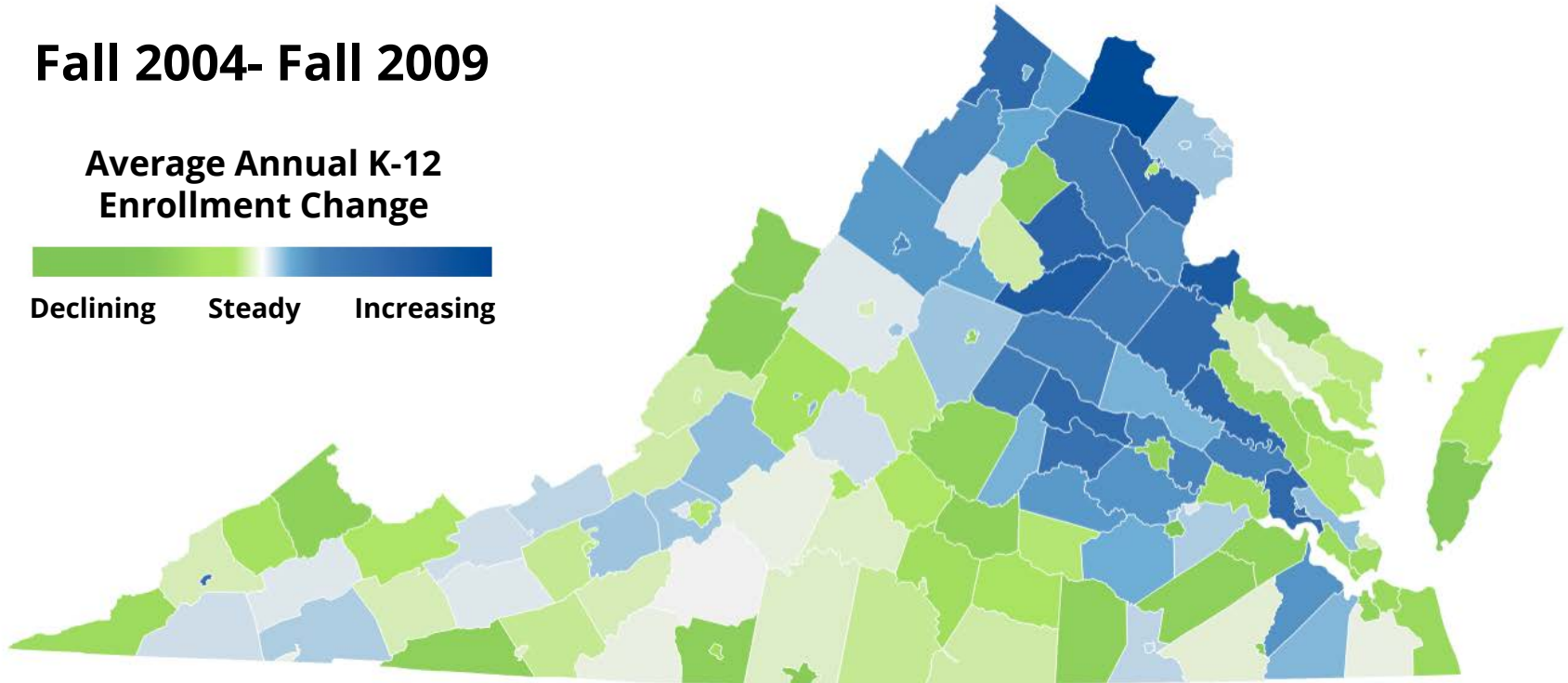


Source: VDOE, Superintendent's Annual Reports & Direct Aid Payment Calculations

# Enrollment Change: Pre-Recession

**Fall 2004- Fall 2009**

**Average Annual K-12  
Enrollment Change**



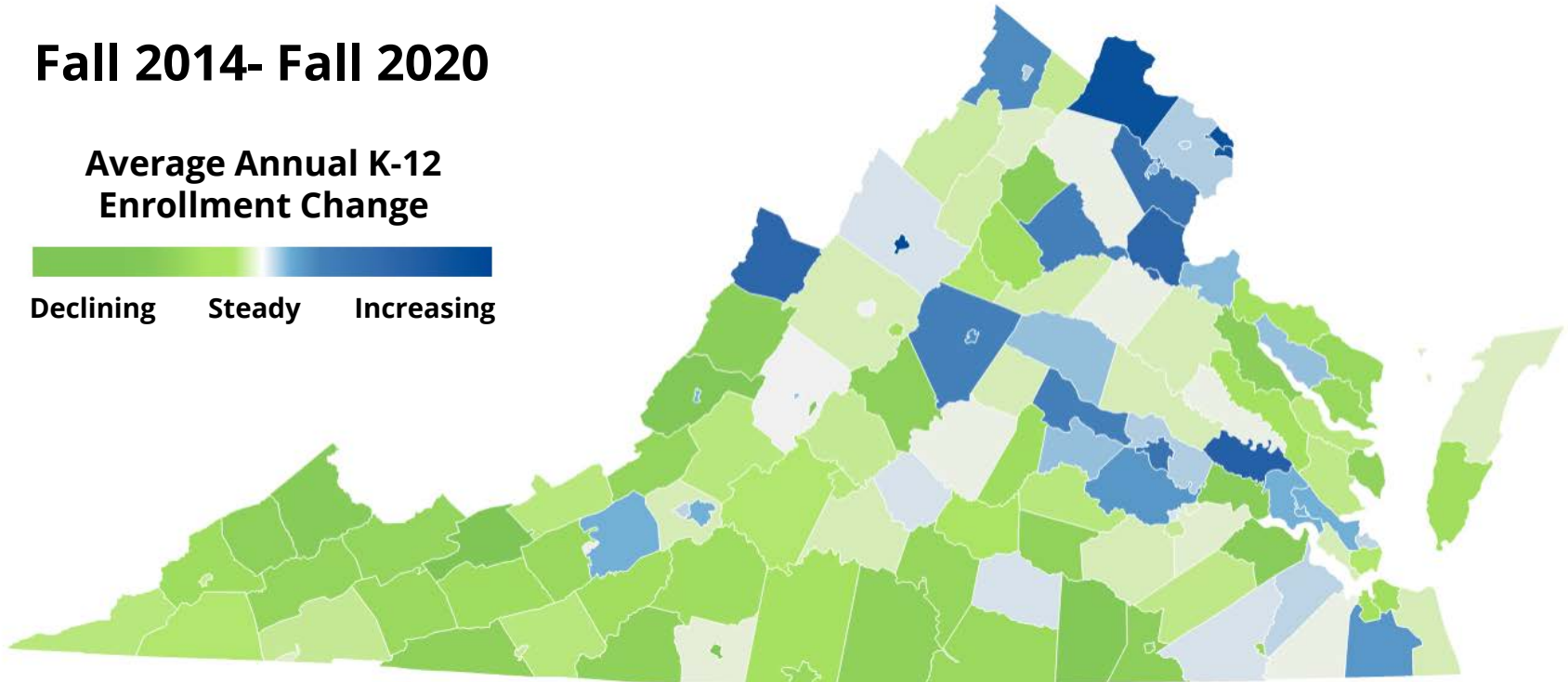
- Prior to the Great Recession:
  - Enrollment growth concentrated between Northern and Central Virginia
  - Most central cities and rural areas experienced flat or decreasing enrollment



# Enrollment Change: Pre-COVID-19

## Fall 2014- Fall 2020

### Average Annual K-12 Enrollment Change



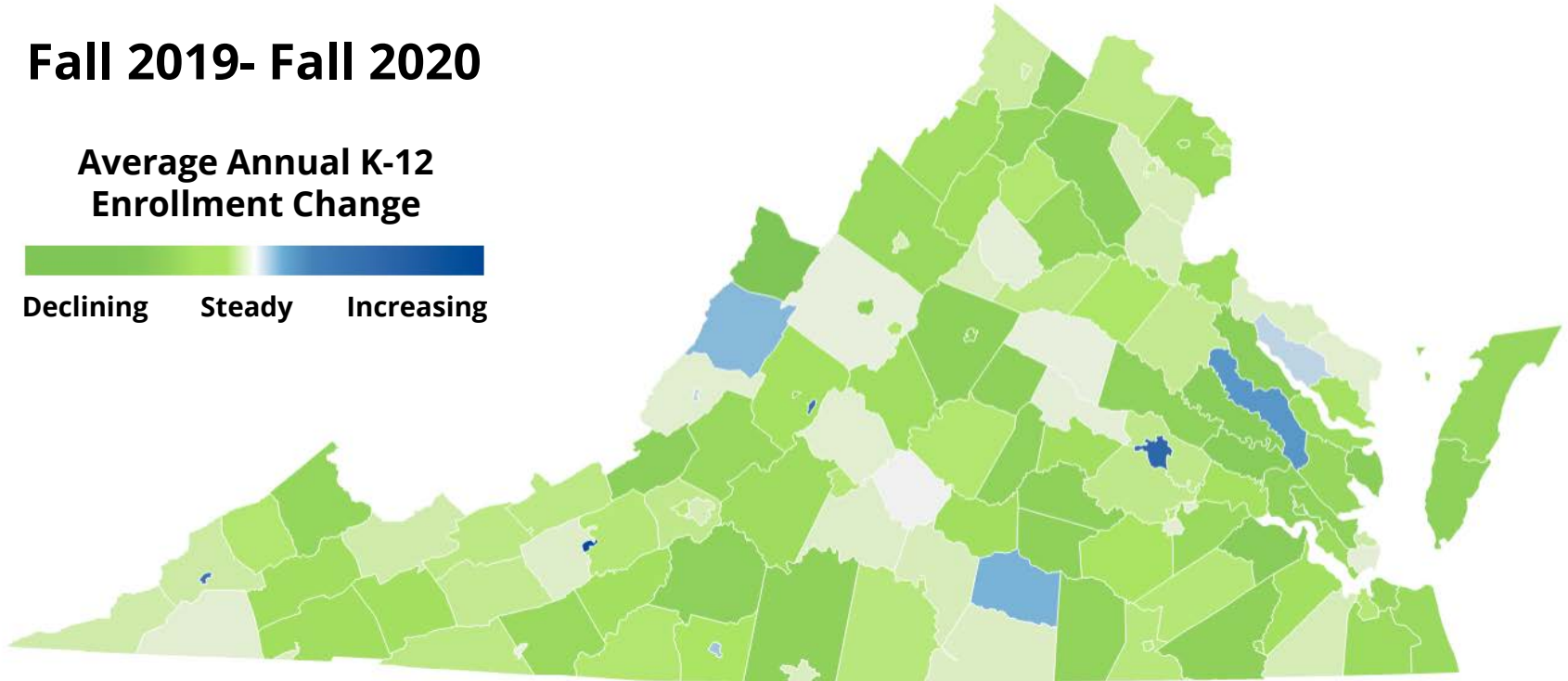
- Since the Great Recession:
  - Enrollment growth in outlying suburban areas tapered
  - Some core urban areas beginning to experience growth
  - Rural areas experiencing greater loss of enrollment



# Enrollment Change: COVID-19

## Fall 2019- Fall 2020

### Average Annual K-12 Enrollment Change



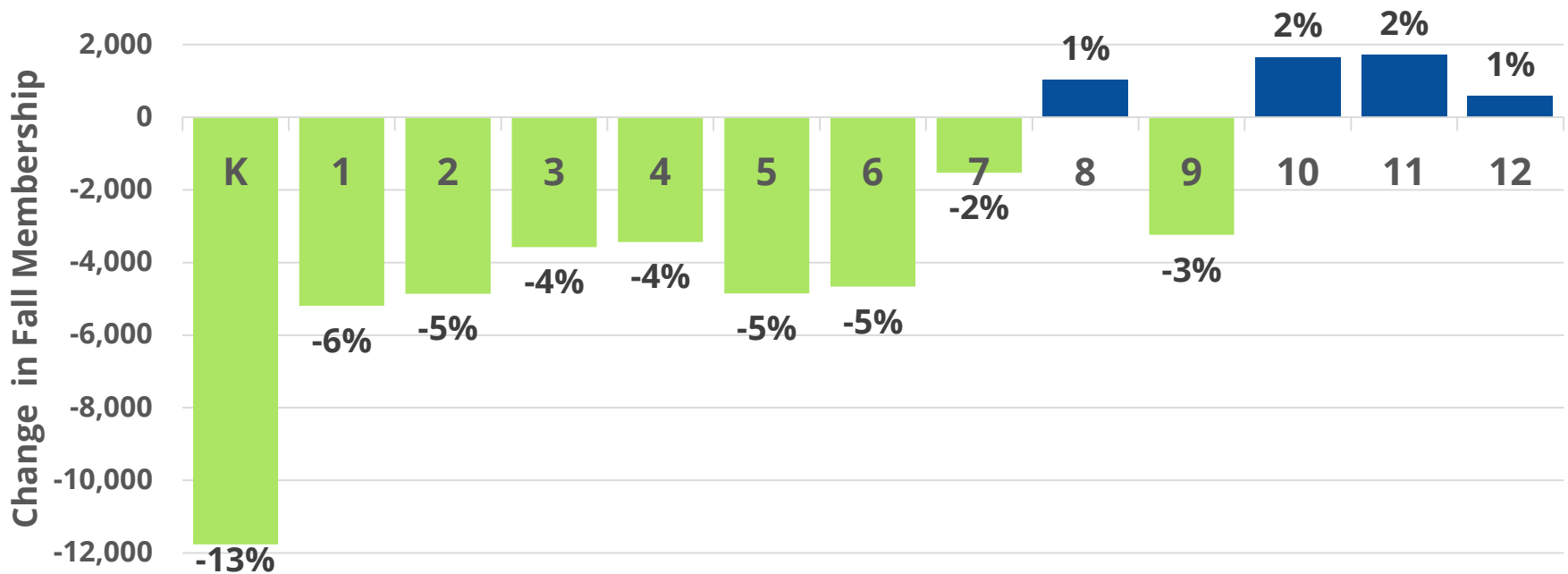
- Between Fall 2019 and Fall 2020, enrollment decreased by about 38,000, or 3%:
  - 120 school divisions experienced enrollment loss
  - 12 of 132 school divisions gained students
  - K-12, Inc. Virginia Virtual Academy partnerships with cities of Richmond and Radford account for most enrollment increases





# Enrollment Change: COVID-19

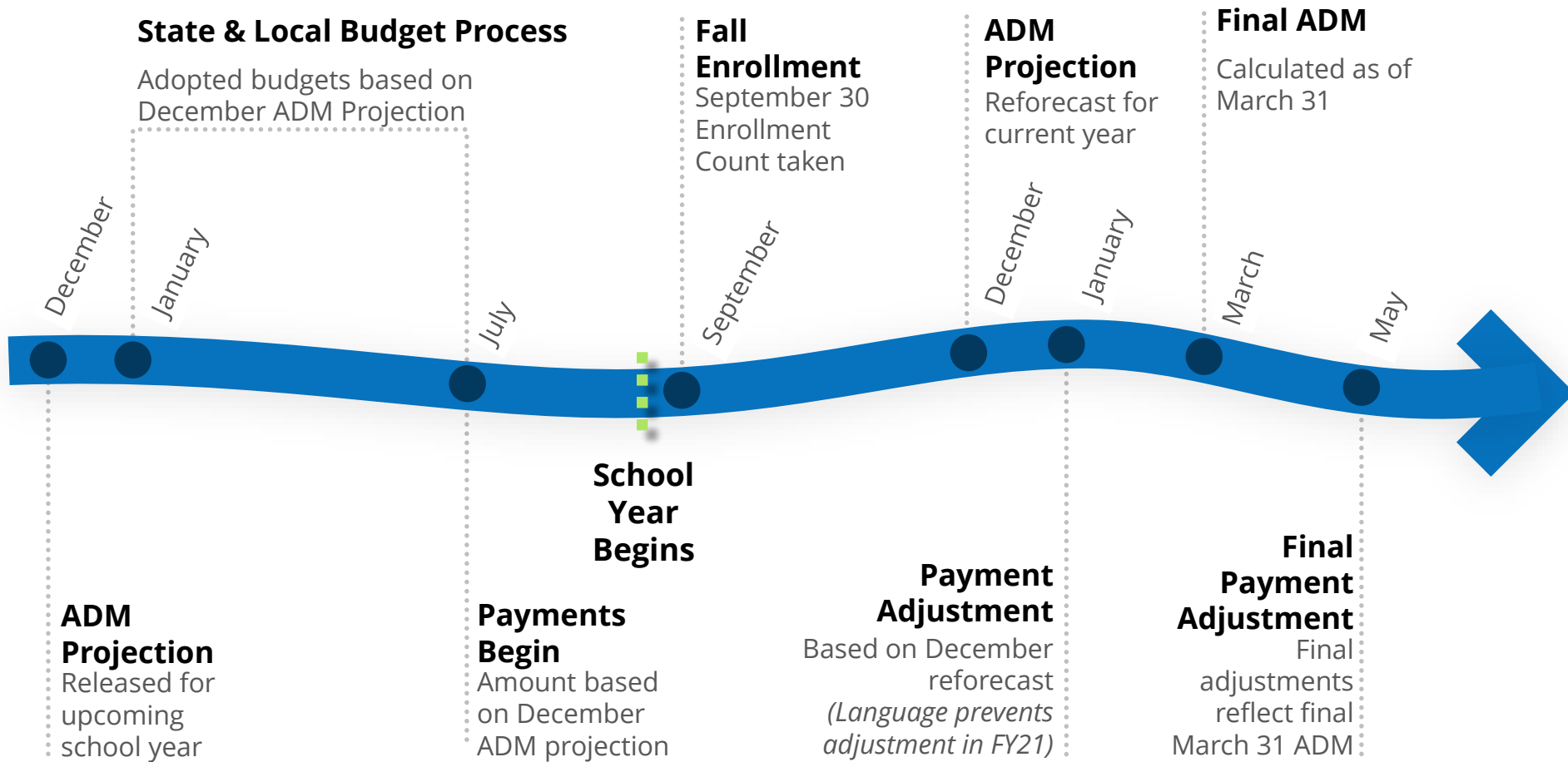
## Enrollment Change by Grade - Fall 2019 to Fall 2020



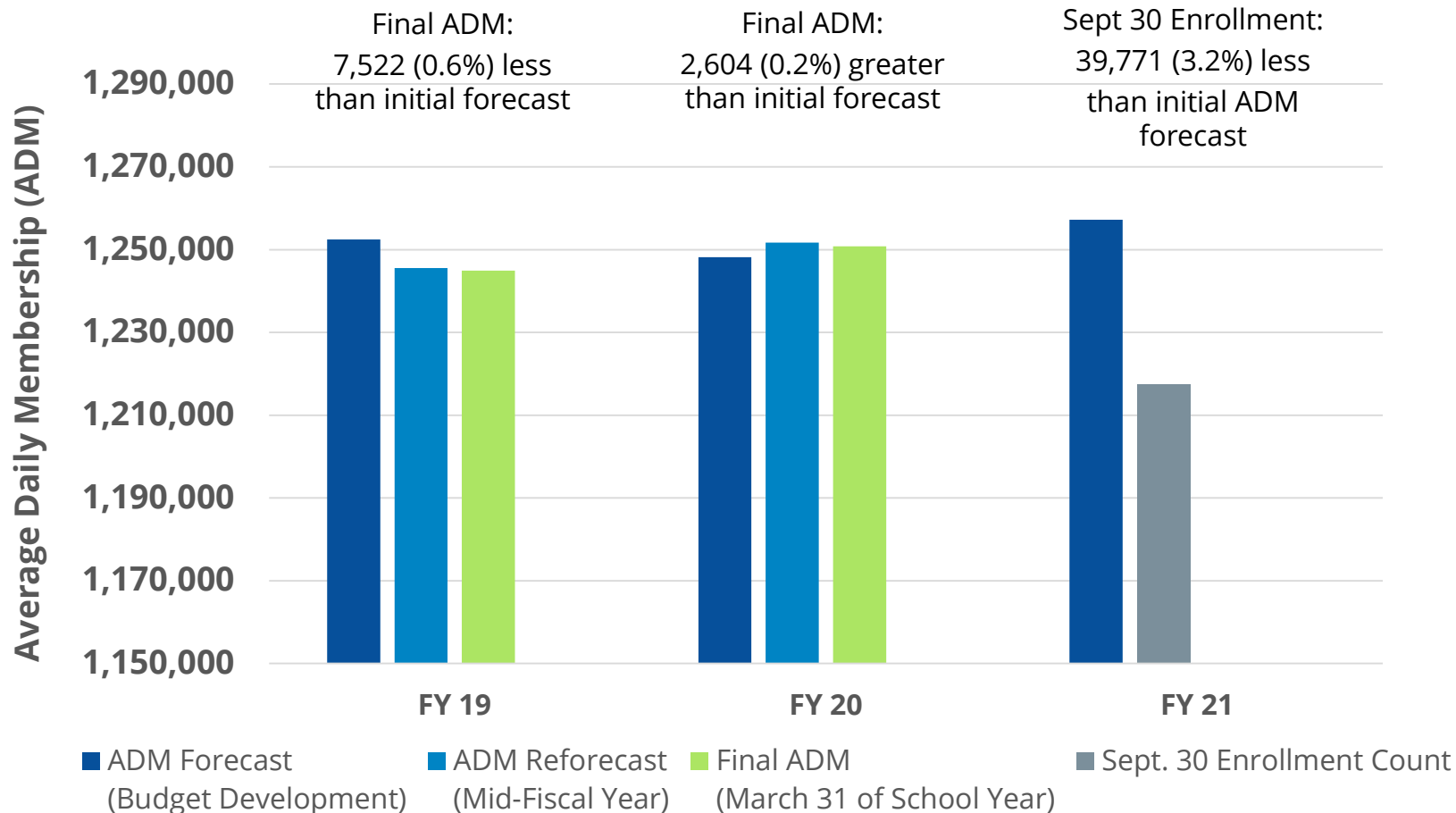
- About 30% of COVID-19 enrollment loss is attributable to kindergarten
- *Code of Virginia* § 22.1-254 permits parents to defer kindergarten enrollment for one year



# ADM Payment Timeline



# Projected and Final ADM



Source: VDOE, Superintendent's Annual Reports, Direct Aid Payment Calculations and Fall Enrollment Reports



# Special Session Provided Temporary Relief

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Language added to Item 145.B.30 of the Appropriation Act temporarily protects school divisions from reduced funding due to lower ADM projections:

*“30. In the first year only, the Department of Education shall not reduce semi-monthly payments to school divisions due to mid-year adjustments to ADM projections. Semi-monthly payments occurring after the final calculation of March 31 ADM shall be adjusted to address changes in membership that occur throughout the school year. It is the intent of the General Assembly that this is a one-time action to address fluctuating enrollment resulting from the COVID-19 emergency.”*



# Options for 2021 General Assembly

- Fiscal impact of each option varies for state and school divisions, depending on Final ADM

Policy Option	State Fiscal Impact	Local Fiscal Impact: Divisions with Enrollment Loss	Local Fiscal Impact: Divisions with Enrollment Gain
<b>1. No Action.</b> Use Final ADM for all school divisions	Savings: Up to \$199.4 Million	State aid reduction	State aid increase
<b>2. Use Ch. 1289 ADM Projection</b>	None	None	No state aid would be provided to recognize enrollment increase
<b>3. Hybrid.</b> Use Proj. ADM for divisions with ADM loss; Final ADM for others	One-Time Spending: Approx \$27.0 million	None	State aid increase



# Preliminary K-12 Budget Drivers

<b>Preliminary Update</b>	<b>FY2021</b>	<b>FY2022</b>
Sales Tax Reforecast (prelim. net impact after Basic Aid Offset)	\$42,300,000	\$46,600,000
Update School Age Population Estimate	0	742,335
Update Incentive Programs based on Fall Membership Count	(1,800,000)	(1,800,000)
GF Savings from Lottery Proceeds Reforecast	(27,071,726)	(24,798,664)
<b>Preliminary Additional GF Costs</b>	<b>\$13,428,274</b>	<b>\$20,743,671</b>



# Summary

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- Unprecedented 3.2% drop in enrollment in FY21
- About 30% of decrease from Kindergarten
- Language in HB 5005 delayed reductions in state aid from ADM loss until May 2020
- Options to address ADM loss range from no action (\$199 million savings) to hold-harmless (\$27 million increased cost)
- Preliminary additional Direct Aid costs:
  - FY 21: \$13.4 million GF
  - FY 22: \$20.7 million GF

