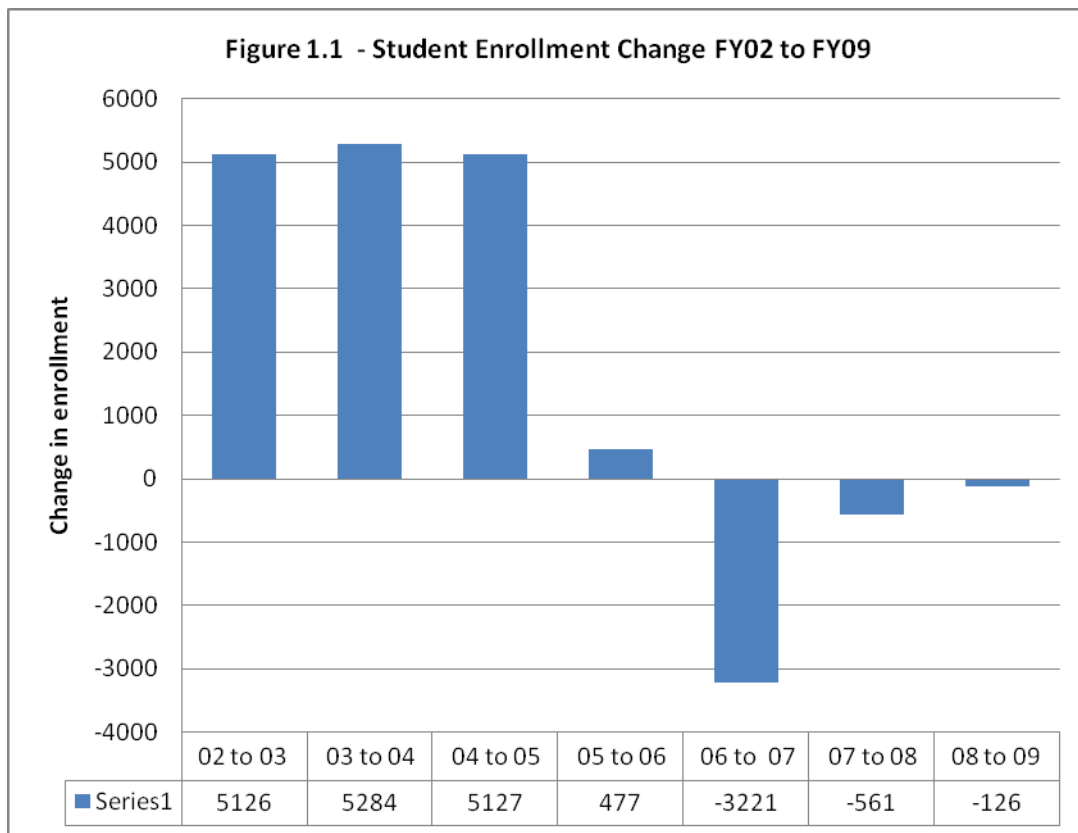


Enrollment History & Contributing Factors

Enrollment History

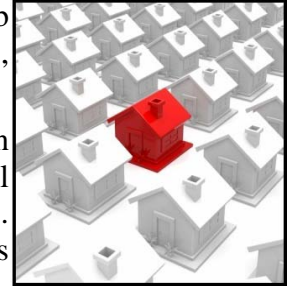
Public school enrollment has declined for three years in Palm Beach County after years of annual growth averaging 4500 students per year. The School District of Palm Beach County enrolled 169,328 students in the 2008-09 school year (FY09). Enrollment decreased by 126 students from previous fall enrollment. Prior to FY06, public school enrollment had been growing by over 4000 students per year since 1985. More recently, incremental enrollment growth has exceeded 5,100 students per year as shown in Figure 1.1. However, K-12 enrollment increased by only 477 students between FY05 and FY06, and then declined by 3,221 students, 561 students and 126 students, respectively, the last three school years.



The significant drop in incremental enrollment growth in October 2005 and enrollment declines since is attributed, in part, to changes in housing market characteristics across the region and the worsening economy. The significant rise in median home prices in 2004 and 2005, the large number of investors in the market, an increase in the number of rental unit conversions to condominiums, a larger second home market share, and an increase in new home construction timelines are some of the changes that impacted on recent student enrollment levels. More recently, the deepening recession, high levels of foreclosures, short sales, rising unemployment and falling home prices are affecting enrollment trends. Additionally, the leading edge of the baby boom generation is beginning to impact the housing market earlier than anticipated. This

59 to 64 year-old age cohort typically includes a greater number of “empty-nester” households, which do not have school-age children.

More recently, the increasing number of foreclosures in Palm Beach County has become a contributing factor to lower enrollment numbers. Wider economic conditions are additional important factors: the deepening recession, rising unemployment, lower job growth, the weakening dollar, multiple Federal Reserve rate adjustments, stock market volatility and, the fallout from sub-prime lending.



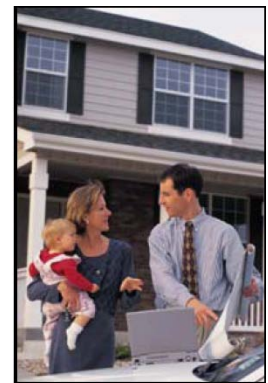
Some homeowners who obtained mortgages with adjustable rates or balloon payments are not able to meet payments. Many adjustable rate mortgages will move from a fixed rate to a variable rate in calendar years 2009 and 2010. The number of foreclosures in April 2008 exceeded 2000 and this level has continued for months in a row.

Another wave of foreclosures is anticipated next year. Relatively high insurance rates and property taxes are influencing decisions for families as to whether or not to remain in the area. The cost of living, affected in part by higher gasoline prices, is another factor for families with school-age children in deciding where to live.

The housing market trends and characteristics that will impact enrollment changes in future years are as follows:

Contributing Factors

- Deep recession; high and rising unemployment; predicted long, slow recovery;
- Dramatic increase in the median price of homes in Palm Beach County in 2004 and 2005;
- Large number of investors in the market in 2003, 2004 and early 2005;
- Lack of affordable housing; many families are priced out of the market 2004-2007;
- Investors who have struggled to hold on to units purchased in the run-up period are out of time and money to keep these units;
- Second home sales represent a larger share of the total housing market;
- Leading edge of “baby boom” generation beginning to impact the housing market;
- Over 12,500 rental units converted to condominiums;
- Higher occupancy rates in rental market segment affecting rental costs;
- Increasing number of properties each month in some state of foreclosure; high numbers from resetting ARMs
- Increasing number of homes and townhouses for sale (new and existing), including foreclosures and short sales; falling home prices 2008 to date;
- Higher inventory of new units yet to be sold or occupied;
- Relatively high insurance rates and property taxes (compared to other states);



- Impact of multiple hurricanes on affordability, insurance coverage and family decisions on where to live;

Enrollment Change FY08 to FY09

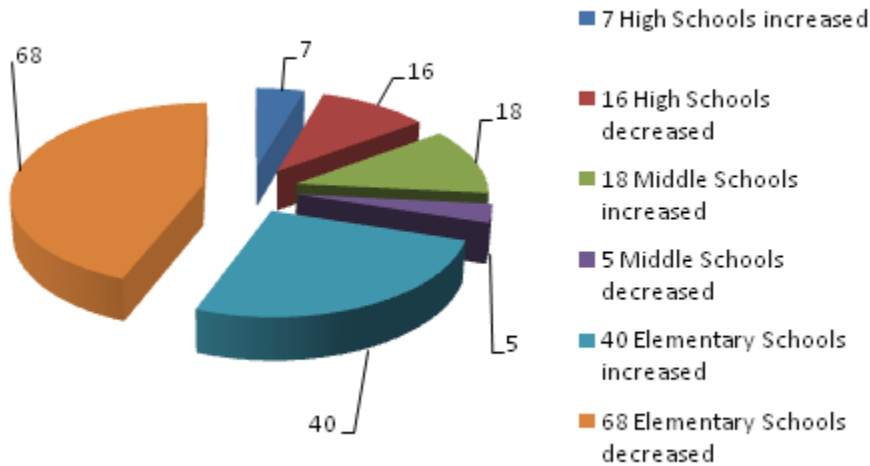
Slower enrollment growth and declining student population is not unique to Palm Beach County. Statewide, K-12 FTE declined by 11,697 between FY2008 and FY2009. State K-12 FTE is projected to decrease by about 8,000 students between FY2009 and FY2010. As shown in Table 1.1, enrollment declined in one other southeast metropolitan county and elsewhere in large districts in Florida. Between FY08 and FY09, Miami-Dade County lost over 2900 students; Broward county’s enrollment decreased by 3167 students. Pinellas, Orange and Duval counties all lost over 1000 students each.

Table 1.1 – Enrollment Change FY08 to FY09 – Select Metropolitan Florida Counties

<i>School District</i>	<i>Enrollment Change</i>
Miami-Dade	-2,910
Broward	-3,167
Pinellas	-1,396
Duval	-1,324
Orange	-1,745

K-12 enrollment in the District’s 164 schools (excludes alternative and charter schools)- the focus of the five-year plan – was flat compared to the previous school year, decreasing by only 4 student between FY08 and FY09. Only 39% of District schools posted enrollment increases compared to 41% last school year. Forty out of 108 elementary schools showed enrollment increases as depicted in Figure 1.2. Eighteen of 33 District middle schools gained students; and only seven of twenty-three high schools had enrollment increases. A low eight grade class, due in part to third grade retention guidelines implemented six years ago entered high school in FY09. Some enrollment gains were due to new school openings and boundary changes between existing schools. Three new elementary schools opened in FY09 – Marsh Pointe, Pine Jog and Sunset Palms. Hope-Centennial Elementary opens in August 2009.

Figure 1.2 Enrollment Change FY08 to FY09 by Level



Ten district elementary schools (9%) experienced enrollment increases of 50 or more students:

- Five central area schools showed increases including: West Gate +52; Palm Springs +59; Citrus Grove +65; Berkshire +74; and, Diamond View +118.
- Three north area elementary schools had enrollment increases of over 50 students each. Egret Lake increased by 75 students; Grassy Waters Elementary grew by 91 students. Grassy Waters will be afforded significant relief in August 2009 by the opening of Hope-Centennial Elementary; Pleasant City Elementary in West Palm Beach grew by 77 students.
- Elbridge Gale Elementary was the only west area elementary school to gain over 50 students (+53).
- One south area school added over 50 students – Plumosa Elementary grew by 91 kids due to a boundary change from Crosspointe Elementary.



Sixty-eight of 108 elementary schools or 63% had enrollment declines between FY08 and FY09; north area – 14; central area 14; west area 22; and, south area 20 schools.

Ten of the district’s 33 middle schools had notable enrollment gains:

- South Area – Boca Raton Middle (east Boca) increased by 149 students; Omni Middle (Yamato Rd. and Powerline Rd.) grew by 177 children and, Eagle’s Landing Middle (far west Boca Raton) added 116 students; both Omni and Boca Raton middle schools were NCLB receiving schools.
- Central Area – Odyssey Middle (western Boynton Beach) gained 77 students and Palm Springs Middle (Forest Hill Blvd. and Kirk Rd.) had 104 new learners.



- West Area – Okeehelée Middle (Forest hill Blvd and Pinehurst Drive) saw 100 additional students; Emerald Cove Middle in Wellington grew by 78 students.
- North Area – Enrollment at Bear Lakes Middle in NW West Palm Beach grew by 78 children; Independence and Jupiter middle schools added 69 and 140 students, respectively.

The remaining 23 middle schools posted smaller gains (8 schools) or had declines in enrollment (15 schools).

Only seven of 23 district high schools had higher enrollment between FY08 and FY09; of these schools, four gained over 100 students each:

- In South County, Boca Raton High added over 200 students; Olympic Heights High gained 167.
- Palm Beach Central (central area) added 203 students; and, William T. Dwyer (north area) gained 167 kids.

Sixteen high schools experienced enrollment declines from FY08 to FY09, including five – Atlantic, Lake Worth, Palm Beach Gardens, Palm Beach Lakes and Park Vista – declined by over 100 students each; the drop at Park Vista was due to boundary changes.

