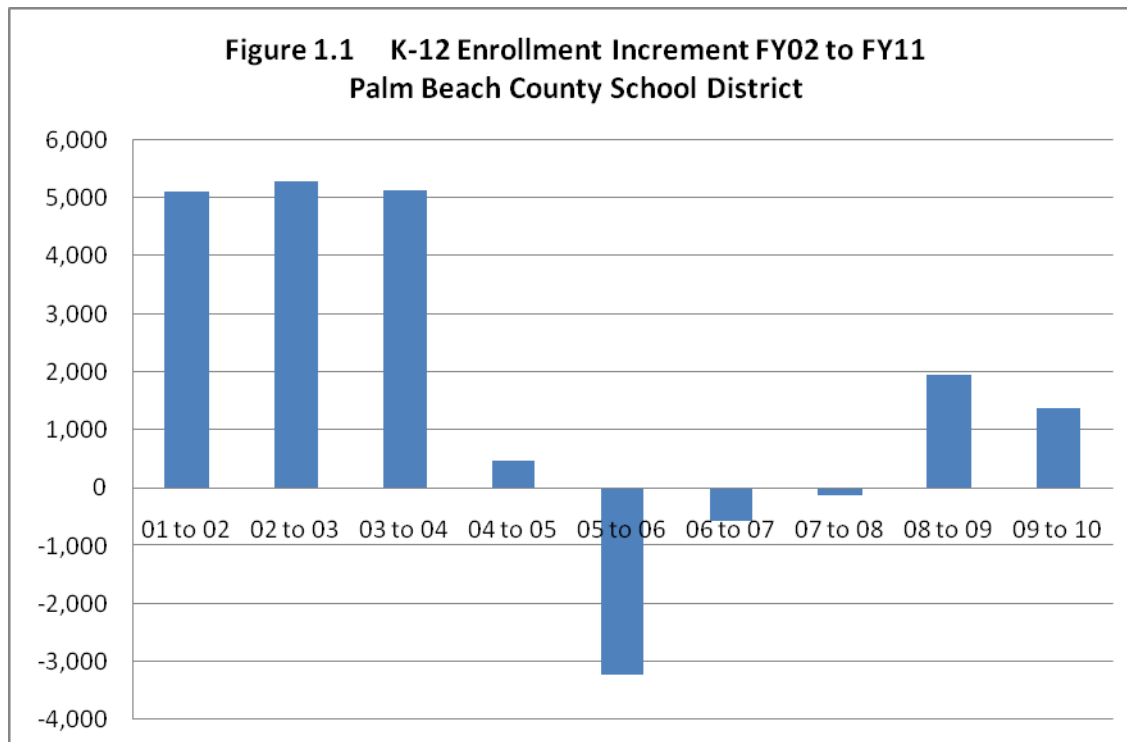


Enrollment History & Contributing Factors

Public school enrollment increased in FY11 for the second consecutive year, after three years of annual declines in Palm Beach County School District. Prior to FY05, annual enrollment growth averaged 4500 students per year. *The School District of Palm Beach County enrolled 172,664 total K-12 students in the 2010-11 school-year (FY11), an increase of 1,382 students over the previous fall enrollment.* After 20 years of enrollment increases of over 4000 students per year (since 1985) and incremental enrollment growth in the early 2000 decade exceeded 5,100 students per year, more recent enrollment trends are mixed. Figure 1.1.charts the incremental enrollment changes from FY02 to FY11.



The significant drop in incremental enrollment growth in October 2005 and enrollment declines over the next three years is attributed, in part, to changes in housing market characteristics across the region, the recession and slow recovery.

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 enrollment in FY06 to 08. More recently, the weak recovery, high levels of foreclosures, short sales, persistent unemployment and falling home prices are affecting enrollment trends. In 2011 and 2012, additional 'option-ARM' foreclosures are anticipated to add to the relatively large number of existing foreclosures and short sales already in the market. This inventory may not be lowered or depleted for 3 to 5 years or more.

Some homeowners who obtained mortgages with adjustable rates or balloon payments are not able to make payments. Many adjustable rate mortgages were reset from a fixed rate to a variable rate in 2009 and 2010; another wave of foreclosures is anticipated in 2011 from defaults, as Option ARM mortgages taken out five years ago reset. Inventory is high with a relatively large number of homes for sale from short sales and foreclosures. It is difficult to obtain credit in the current market and approvals are taking longer.

Increasing number of foreclosures in Palm Beach County has been a contributing factor to lower enrollment numbers. The number of foreclosures each month (first notice from Bank) has been over 2000 each month for over a year; eight to nine months later, about 350 homes are typically foreclosed. Wider economic conditions are additional important factors: the slow recovery, continuing relatively high unemployment, loss of jobs, the weakening dollar, and recent Federal Reserve actions.

The leading edge of the baby boom generation is beginning to impact the housing market earlier than anticipated. The 59 to 64 year-old age cohort typically includes a greater number of “empty-nester” households, which do not have school-age children. The first baby-boomers turned 65 in 2010.

K-12 Enrollment increased this year by 1,382 students; this increase was lower than the previous year’s growth, 1954 students. Enrollment changes at some elementary schools indicate doubling-up of families due in part to the economy. Increasing transfers from private schools is another factor. In 2000, 16% of total students (public + private) in Palm Beach County attended private schools; in 2009, only 10.9% attended private schools.

Housing trends and other economic factors that will impact enrollment changes in future years include:

Contributing Factors

- Continued relatively high unemployment; predicted long, slow recovery;
- Second wave of foreclosures; Option ARM;
- High inventory of homes for sale– relatively larger number of homes for sale plus foreclosures and short sales;
- Falling median home prices since 2007;
- Intra-county movement of families from foreclosed units to affordable rentals or with family; including renters displaced from landlord defaults;
- Declining births; lower number of children will enter school in year 2013 to 2015;
- Relatively high insurance rates and property taxes (compared to other states);
- Leading edge of “baby boom” generation beginning to impact the housing market;
- Shift of enrollment to charter schools

Enrollment Change FY10 to FY11

Statewide, K-12 FTE increased by 12,764 students between FY10 and FY11. State K-12 FTE is forecast to increase by 12,363 students in FY12. Table 1.1 shows enrollment change in other metropolitan Florida counties between FY10 and FY11. Enrollment increased in all counties shown except Pinellas; the increase ranged from 814 to 2568 students; percentage increase varied from 0.3% to 1.5%. Palm Beach County fell in the middle, increasing by 1382 students or 0.8%

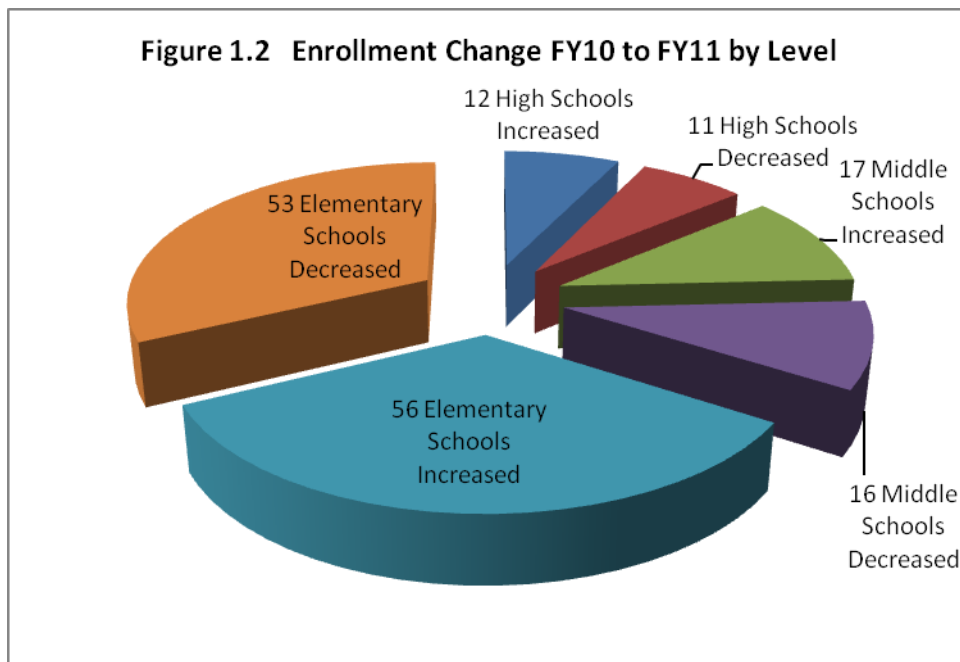
**Table 1.1 – Enrollment Change FY10-FY11
Select Metropolitan Florida Counties**

	Number	Percent
Miami-Dade	+1,397	0.4%
Broward	+814	0.3%
Hillsborough	+1,696	0.9%
Pinellas	-1168	-1.1%
Duval	+1,331	1.1%
Orange	+2,568	1.5%

K-12 enrollment in the District’s 165 schools (excludes alternative and charter schools)- *the focus of the five-year plan* – increased by 720 students or 0.4% compared to the previous school year,

52% of District schools posted enrollment increases the same percentage as last school year. Fifty-six out of 109 elementary schools showed enrollment increases as depicted in Figure 1.2. Seventeen of 33 District middle schools gained students; and twelve of twenty-three high schools had enrollment increases. Some enrollment changes were due a new school openings and boundary changes between existing schools. Everglades Elementary opened in August 2010.

The net enrollment increase at the 109 district elementary schools between FY10 and 11 was 67 students; the middle school net change in enrollment was 299 students, and high school 354 students.



Only eight district elementary schools (7%) experienced enrollment increases of 50 or more students:

<u>School</u>	<u>Administrative Area</u>	<u>Increase</u>	<u>Probable Reason</u>
Hagen Road	South	+55	Impact new housing
Diamond View	Central	+61	Doubling up
CO Taylor/ Kirklane	Central	+75	Affordable & rental housing
Sandpiper Shores	South	+78	Uncertain
Sunset Palms	South	+83	Impact new Housing
Pine Jog	West	+87	Affordable housing/new school effect
Seminole Trails	North	+117	Affordable housing/rentals/ addition
Marsh Pointe	North	+125	NCLB receiving school

Fifty-three of 109 elementary schools or 49% recorded enrollment declines between FY10 and FY11; of these, eleven schools declined by 50 or more students. 22 schools showed flat enrollment gaining only between 1-20 students over the previous school year.

Six of the district's 33 middle schools had notable enrollment gains, of over 50 students each:

<u>School</u>	<u>Administrative Area</u>	<u>Increase</u>	<u>Probable Reason</u>
Jupiter	North	+63	Impact new housing/ NCLB
WB Duncan	North	+80	NCLB
Lake Worth	Central	+92	Affordable & rental housing
Congress	Central	+93	Choice programs
Jeaga	West	+115	Affordable & rental housing
Omni	South	+181	NCLB & private school transfers

The remaining 26 middle schools posted smaller gains (11 schools) or had declines in enrollment (16 schools).

Twelve of 23 district high schools experienced enrollment increases between FY10 and FY11 due partly to private school transfers; of these, four schools gained more than 100 students each:

<u>School</u>	<u>Administrative Area</u>	<u>Increase</u>	<u>Probable Reason</u>
Boca Raton	South	+114	Private transfers/ STEM program
Wellington	West	+118	Choice programs/boundary change/ NCLB
Pahokee Middle/Senior	West	+158	New middle school/ added 6 th grade
John I Leonard	Central	+221	Boundary changes

Eleven high schools experienced enrollment declines, the decline ranged between 6 and 116 students per school;