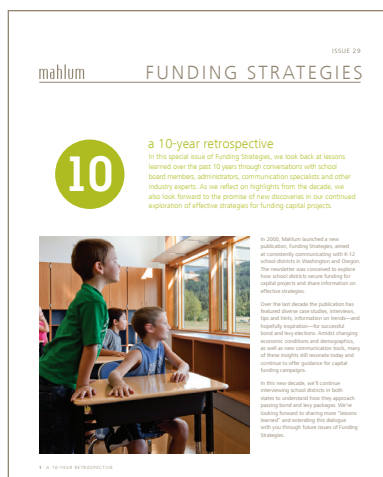


## 10

## a 10-year outlook

For this issue of Funding Strategies, we are looking forward to learn what the next ten years might bring for K-12 school districts. We interviewed industry experts in the areas of demographics, educational delivery, and campaign approaches. Each expert was asked to explain what changes they predict may impact school districts in the short term (1 year), mid term (2-5 years), and long term (6-10 years) horizons.



The January 2010 Funding Strategies (above) provided a 10-year retrospective, including a Top 10 list of highlights from the last decade of our newsletter.

To view a copy of this edition, please [click here](#).

## OUR ILLUSTRIOUS LIST OF EXPERTS INCLUDES:

**Demographics** : Charles Rynerson, Demographic Analyst with the Population Research Center at Portland State University's College of Urban and Public Affairs  
(CONTACT INFO: [rynerson@pdx.edu](mailto:rynerson@pdx.edu) | 503.725.5157)

**Educational Delivery** : Michael B. Horn, Executive Director of Education at Innosight Institute and co-author with Clayton Christensen of the groundbreaking book *Disrupting Class: How Disruptive Innovation Will Change the Way the World Learns*  
(CONTACT INFO: [info@innosightinstitute.org](mailto:info@innosightinstitute.org) | [www.innosightinstitute.org](http://www.innosightinstitute.org))

**Campaign Approaches** : Frank Greer, Partner, and Nathan James, Vice President, with GMMB. GMMB is a political, issue and cause communications firm that played a key role on Barack Obama's campaign team by introducing new strategies and approaches to the 2008 Presidential election  
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## DEMOGRAPHICS

In his 25 year career as a demographer, Charles has worked on school enrollment forecasts, censuses and surveys, and population and economic estimates and forecasts in communities throughout Oregon and in San Diego.

*Charles Rynerson helped us understand what changes school districts can anticipate in student enrollment over the next decade.*

### THE PERFECT STORM

Over the last four years, there has been virtually no growth in Oregon and Washington K-12 school enrollment. Oregon has had two years of small K-12 losses. This departure from past trends has been caused by a “perfect storm” comprised of the following factors:

**The age structure of the current population** is one of the biggest impacts on school enrollment. Due to the lingering effects of the baby boom, the current population in its 40’s and 50’s is as big or bigger than the population in its 20’s and 30’s. The “echo” of the baby boom faded after 1990. Children born in that year have graduated from high school and in many districts are being replaced by fewer kindergartners entering the system.

Generation	Age Group	Population of Oregon & Washington (2009, Ages 0-84)
Millennials	0-4	675,000
	5-9	673,000
	10-14	689,000
Gen Y	15-19	728,000
	20-24	736,000
	25-29	746,000
Gen X	30-34	692,000
	35-39	715,000
	40-44	717,000
Baby Boomers	45-49	772,000
	50-54	768,000
	54-59	705,000
	60-64	575,000
Silent	65-69	409,000
	70-74	291,000
	74-79	225,000
	80-84	178,000

### A long term drop in fertility rates

occurred between 1990 and the mid-2000s for women under age 30. This drop and the decreasing share of young adults resulted in the number of births in Oregon and Washington increasing only five percent between 1990 and 2005 while the total population increased 28 percent.

### The current economic downturn

is affecting Pacific Northwest school enrollment because the region’s past growth has been fueled by attracting new residents. Oregon and Washington have not seen huge losses due to out-migration; however, both states currently have lower than normal in-migration given high unemployment rates.

While age structure and declining fertility rates are slow marching and incremental factors, the economy is the “wildcard” in predicting what will happen with school enrollments. Because people will move to where jobs are available, shifts in the economy can drive school enrollment declines or increases in any community. Births have increased since 2005, and slow growth in elementary grades is expected. However, falling or flat high school enrollment should persist through mid-decade.

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### Short Term Outlook (1 year)

Most school districts will see little if any growth in student enrollment due to age structure, previous fertility declines and the down economy. Some districts will show declines overall because of the big high school classes currently graduating.

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### Mid Term Outlook (2-5 years)

Within five years, high school declines may be close to bottoming out and elementary school enrollment will be growing. It is difficult to project how quickly Oregon and Washington will get out of the recession and return to enrollment growth from in-migration.

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### Long Term Outlook (5-10 years)

We won’t always be in a period where school age population grows more slowly than total population. Because of the age structure, ten years from now this might change. It is quite possible that in the 2020’s school enrollment could grow faster than total population.

2%

25%

50%

#### Short Term Outlook (1 year)

Nationwide, online course enrollments grew from about 45,000 in the year 2000 to around 1 million in 2007. The U.S. is currently at about 1.5 million online course enrollments. It is anticipated that the current growth rate will continue at roughly 30% per year, resulting in an annual gain of approximately 450,000 online course enrollments—mostly occurring at the high school level.

#### Mid Term Outlook (2-5 years)

It is expected that about 25% of all high school courses will be offered online—but it won't be distance learning because 90% of students need a classroom with adults providing a safe environment and learning support.

#### Long Term Outlook (5-10 years)

The dramatic change in educational delivery happens in the ten year horizon. It is projected that by 2019, 50% of all high school courses in the U.S. will be offered online. This growth in online courses should result in more ability to customize learning for individual preferences and needs.

## EDUCATIONAL DELIVERY

**Michael B. Horn, a graduate of Harvard Business School and co-founder of Innosight Institute joined Harvard Business School professor Clayton M. Christensen and Curtis W. Johnson to co-author the book *Disrupting Class: How Disruptive Innovation Will Change the Way the World Learns*. Their groundbreaking research explores customized learning, student-centric classrooms, and new technologies for learning.**

*Michael Horn shared emerging trends that will affect educational delivery for K-12 school districts in the coming years.*

### GROWTH IN ONLINE LEARNING

A big trend emerging faster than originally anticipated is the growth of online learning in K-12 education. Online learning has the potential to help transform the current education system into a more affordable, student-centric system for the 21st Century.

High schools, in particular, will undergo a dramatic shift towards more online learning over the next five to ten years. The structure of the classroom will change

in interesting ways, transitioning to more of an open model rather than the traditional configuration of one teacher in a classroom with 30 students.

Middle schools will see some growth in online learning over the next five to ten years. Online providers are looking at middle school subjects like algebra that they can supplement with online learning. We are observing the first forays into this area, and expect to see new technologies and trials over the next few years to identify what works.

We do not anticipate elementary schools to be affected as much by online learning in the coming ten years.

### Customized Approach

In the next five years, there will be increased demand for customized learning to meet individual needs. This will result in more high school-level coursework in credit recovery and advanced placement, as well as courses for dropout students. Online learning allows flexibility to locate these programs in set aside spaces, such as school libraries, as well as nontraditional facilities, such as dropout recovery programs in shopping malls.

There are also advocates at the high school level for project-based learning schools in which students master concepts through first-hand experience in areas like graphic design or manufacturing engineering. Over the next decade, the online movement may merge with the project-based learning model as a way to scale up these opportunities and expand geographic reach.

### Flexible and Lower Cost Access

Many school districts are just now adopting online learning solutions that were introduced within state virtual schools and charter schools. There is growing excitement that a hybrid approach—combining online learning with bricks and mortar facilities—could provide additional learning opportunities for lower costs. Early evidence indicates the cost of online courses is lower because providers can use teachers and other staff resources in novel ways.

The flexibility offered through online learning will be very helpful to rural schools with limited or no access to advanced/specialized courses, urban schools with scheduling conflicts and overcrowded classrooms, home-schooled students, and students needing to retake failed courses.

The purpose of **Funding Strategies** is to explore how school districts secure funding for projects. Please contact Mahlum for more information, or if your district would like to be featured.

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## CAMPAIGN APPROACHES

GMMB's long history of work on high profile political campaigns spans presidential campaigns for Bill Clinton and Barack Obama, as well as numerous other candidates and causes. As the lead media placement agency for Obama's successful 2008 campaign, GMMB broke new ground using technology and emerging approaches such as embedding advertisements in popular video games.

*GMMB's Frank Greer and Nathan James applied their national-level expertise to help school districts generate new ways of thinking about local bond and levy campaigns.*

### EMBRACE TECHNOLOGY

Obama's campaign employed technology on an unprecedented scale. To enhance communication, school districts and campaign advocates would benefit from increased use of the following technologies.

**Web pages** can be used by the school district to provide consistent and timely information. Campaign web pages should offer different levels of involvement so people can add themselves to the list of endorsers, volunteer time, donate money, sign up for a speaking engagement or a neighborhood coffee time, etc.

**Online social media** is a wonderful way for campaigns to increase peer to peer organizing and invite more people into the ongoing discussion. Link campaign web pages to social networking applications such as Facebook, Twitter and LinkedIn to organize meetings, enhance fundraising, rally friends, and orchestrate contacts. Remember that campaign messages are more believable when they come from someone who is already a trusted part of a social network, so organize your supporters early and empower them to speak on your behalf.

**Email** provides a great vehicle for the school district to keep people informed of what is being done with their tax money to reinforce accountability and build trust. To effectively use email for campaigns, it is critical to constantly build and maintain

lists of email addresses as an ongoing activity—not just during the campaign season. Make sure you continue to keep people engaged and active even when you don't have anything on the ballot by providing updates on your progress.

**Web-based campaign management** brings a new "one-stop shopping" online model to integrate fundraising, database management, compliance reporting for elections commission, managing call lists and "get out the vote" activities, as well as building and maintaining a campaign website. The innovation provides smaller local campaigns a cost effective way to use the resources, structure and organization that was previously only accessible to bigger electoral campaigns.

**New media outlets** such as neighborhood blogs, local alternative newspapers, and online local political sites are increasingly important sources of information. The equation for engaging these new media outlets is different than a traditional newspaper. Because these outlets are not always objective or nonpartisan, they may be more agenda-driven and more opinion-focused which means they can become important campaign advocates. School districts and campaign advocates should develop an outreach and communications plan for local online media to get the message out regularly with day-to-day and week-to-week coverage of relevant issues.



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#### Short Term Outlook (1 year)

For the short term horizon, dive into building your online presence with a focus on being where people are already interacting and discussing local issues. The growing social networking applications for online interaction are critically important.

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#### Mid Term Outlook (2-5 years)

Social media and online tools are changing rapidly. The number of people on sites like Facebook is astronomical and growing exponentially. Online opportunities will balloon over the next five years, and they will divide into segments so that certain types of people belong to one online group and not to other online groups. Finding the right audiences and targeting communications to that audience will be increasingly important.

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#### Long Term Outlook (5-10 years)

It has been said that the difference between John Kerry's 2004 campaign and Barack Obama's 2008 campaign is like the difference between the Wright Brothers and the Apollo Project. Given the pace at which online campaign strategies are evolving, it is not possible to envision what will emerge in five to ten years.