

Palmyra-Eagle Area School District
Criteria Responses under Wisconsin State Statute 117.10

NOTE: Criteria used in SDBAB decisions regarding dissolution of the Florence (SDBAB Order 2006-09) and Wausaukee (SDBAB Order 2009-02) School Districts previously.

Criteria for school district dissolution. In making any decision under ss. 117.10, the SDBAB shall consider the following factors as they affect the educational welfare of all of the children residing in all of the affected school districts, and may consider other appropriate factors:

- 1. (Criteria 1) *The geographical and topographical characteristics of the affected school districts, including the estimated travel time to and from school for pupils in the school districts.***

The PEASD covers approximately 90 square miles and is representative of seven municipalities. The “footprint” of the district includes land designated for the Kettle Moraine State Forest and other Department of Natural Resource lands that will never be developed. While a beautiful natural resource an outdoor recreational area for not only the State of Wisconsin, but to the local area, the district will never generate revenue from these properties beyond the annual payment it receives. Last year this amounted to approximately \$90,000.

Exhibit 1 below represents distance in miles (based upon Google Maps) from each of the existing Palmyra-Eagle Area School District schools and the local high school in each of the seven school districts with a contiguous border to the PEASD. Note that these times are calculated based upon travel time in a personal automobile and would not be a reflection of the distance, or time, that it would take for a school bus to navigate the same distances. Frequency of bus stops, railroad crossings, temporary detours, etc. would have an impact on the time for a school bus to navigate a similar route for a personal vehicle.

Exhibit 1

Distance to:	East Troy High School	Fort Atkinson High School	Jefferson High School	Kettle Moraine High School	Mukwonago High School	Oconomowoc High School	Whitewater High School
From: Eagle Elementary School	9.1 miles	24.3 miles	25.7 miles	13.2 miles	6.1 miles	18.0 miles	20.9 miles
From: Palmyra Elementary School	14.2 miles	17.4 miles	18.8 miles	17.0 miles	12.9 miles	20.2 miles	11.0 miles
From: Palmyra-Eagle Middle/High School	14.0 miles	18.0 miles	19.4 miles	17.2 miles	13.0 miles	20.4 miles	13.5 miles

As other districts have shared in their presentation to the SDBAB the geography of our district may present potential complications for student transportation, not only for daily attendance but participation in before and after school activities as well.

2. ***(Criteria 2) The educational needs of all of the children residing in the affected school districts, the educational programs currently offered by each affected school district and the ability and commitment of each school district to meet those needs and continue to offer those educational programs.***

PEASD Finances - Current Projections

2019-2020 ending fund balance:	~\$2.2 million
2020-2021 budget deficit:	~\$2.5 million
2020-2021 ending fund balance:	-326,260

With a projection of a negative fund balance at its end, we cannot begin the 2020-2021 school year.

It is important to point out that the -\$325,000 is not a budget deficit for the 2020-2021 school year; it is the projected fund balance at the end of the 2020-2021 school year. In order to complete the 2020-2021 school year and prepare for a 2021-2022 school year, it would be realistic to propose cuts to the upcoming 2020-2021 budget of approximately \$2 million or more. PEASD believes that cuts of this magnitude will significantly diminish the learning opportunities of its students and have an overall negative impact.

3. ***(Criteria 3) If territory is proposed to be detached from one school district and attached to an adjoining school district, whether the proposed detachment will have any adverse impact on the program currently offered by the school district from which the territory is proposed to be detached, including both curricular and extracurricular aspects of the program.***

The potential impacts on the various school districts with contiguous borders to the PEASD were presented to the SDBAB at its November 21st meeting. The SDBAB should now be able to weigh and assess the impact, adverse or otherwise, of the programs currently offered in each of the surrounding public school systems.

4. ***(Criteria 4) The testimony of and written statements filed by the residents of the affected school districts.***

As noted at <https://dpi.wi.gov/sms/palmyra-eagle-dissolution> comments related to the Palmyra-Eagle dissolution review may be sent to Palmyra-Eagle.comments@dpi.wi.gov. Please include name, address, and phone number. Please be aware that all comments are public records.

Submitted public comments and testimony from the various school districts may be found at the aforementioned DPI sponsored website.

5. ***(Criteria 5) The estimated fiscal effect of the proposed reorganization on the affected school districts, including the effect of the apportionment of assets and liabilities.***

The fiscal effect of any reorganization/ dissolution on other districts will be determined through the process itself. One of the reasons that PEASD chose to the dissolution pathway rather than use a territory transfer is the precedent on “use value” of property that would be disbursed. Previous cases of territory transfer have roughly tied “use value” to the insured replacement value. Following a territory transfer pathway and if “use value” according to precedent was used, a significant payout from the remaining PEASD to whatever district absorbed the other territory may have been required. If the districts involved and/or SDBAB would have determined an alternate apportionment or asset calculation, a court challenge is legally allowed.

Because a dissolution has not been approved under current statute, there is no precedent for determining use value of a building(s) as an asset, particularly considering the building(s) may have no use to the absorbing district.

6. (Criteria 6) *Whether the proposed reorganization will make any part of a school district's territory noncontiguous.*

Assuming that the assignment of families and properties is not done in a manner that creates any “islands” this should not be an issue. Area public school districts that share a contiguous border with the PEASD are as follows in alphabetical order: East Troy, Fort Atkinson, Jefferson, Kettle Moraine, Mukwonago, Oconomowoc and Whitewater.

7. (Criteria 7) *The socioeconomic level and racial composition of the pupils who reside or will reside in territory proposed to be detached from one school district and attached to an adjoining school district or in school districts proposed to be consolidated or in a school district proposed to be dissolved; the proportion of pupils who reside in such territory who are children at risk, as defined under s. 118.153 (1) (a); and the effect that the pupils described in this paragraph will have on the present and future socioeconomic level and racial composition of the affected school districts and on the proportion of the affected school districts' enrollments that will be children at risk.*

Exhibit 2 which accompanies this narrative report presents the demographic configuration of the Palmyra-Eagle Area School and its respective schools as reflected on the 2018/2019 District and School Report Cards (Wisconsin state accountability reports) as reported by the Wisconsin Department of Public Instruction (source: <https://dpi.wi.gov/accountability/report-cards>). Please make note of the differences which exist in significant demographics such as Race/Ethnicity, Students with Disabilities, Economically Disadvantaged Students, and English Learners within the district and between the two elementary schools.

Exhibit 3 which accompanies this narrative report represents the demographic configuration of the Palmyra-Eagle Area School District and the local area school district with a contiguous border to the PEASD as reflected on the 2018/2019 District Report Cards (Wisconsin state accountability reports as reported by the Wisconsin Department of Public Instruction (source: <https://dpi.wi.gov/accountability/report-cards>). Please make note of the differences which exist in significant demographics such as Race/Ethnicity, Students with Disabilities, Economically Disadvantaged Students, and English Learners within and between the respective districts.

Open enrollment out of the Palmyra-Eagle Area School District since the inception of the Public School Choice Program in the 1998-1999 school year indicates that there have always been more students leaving the district via choice than coming into the district. The twenty year history of such choices is presented in table form in **Exhibit 4** which accompanies this narrative report.

As you can imagine, the adverse financial impact of the loss of students to other districts is devastating to the operational budget of the PEASD. The loss of revenue presents unique challenges to the PEASD when examining its level of staffing in all classified and non-classified positions as well as its ability to attract and retain high quality employees with market driven competitive wages and benefits.

A look at the manner in which Open Enrollment occurs in the PEASD by receiving school district and PEASD municipality is also of note. A review of the information in **Exhibit 5** accompanying this narrative report of

currently open enrolled out students reveals a vast majority choose one school district over the other 18 receiving districts (some of which offer virtual school learning programs) and that seven (7) of ten students who leave the PEASD via open enrollment are from Waukesha County and the Town and Village of Eagle.

As noted previously, the PEASD has been adversely impacted by Public School Choice, also known as Open Enrollment since the inception of the choice program twenty years ago. The impact of Open Enrollment out of the district is exacerbated by the “capping” of special education spaces in the school districts immediately surrounding the PEASD. In most instances, neighboring districts, in keeping with applicable state law, choose not to accept applicants or severely limit available “seats” under open enrollment that are designated as special education students. As a result, classrooms in the PEASD enroll a larger than would be expected number of special education students in every classroom of the district. Current percentages are noted in the Exhibit 6 which accompanies this narrative report.

A review of this information reveals the impact of the loss of regular education students to other districts via open enrollment and the denial of special needs students via the same process. Please note that the ability of other school districts to set “caps” to limit or restrict special education students from being accepted under the Wisconsin state Open enrollment Program is permissible by current law. While the PEASD district percentage of students with unique learning challenges currently stands at 14.62% building and grade level cohort percentages range from just under 6.0% to over 20.0% in particular grade levels in the district.

8. (Criteria 8) *The results of any referendum held under s. 117.10.*

In April of 2019 the school board of the Palmyra-Eagle Area School District sought an operational referendum in the total amount of \$11.5 million dollars for the 2019-2020, 2020-2021, 2021-2022 and 2022-2023 school years. The question, as presented to the taxpayers of the PEASD was as follows:

“Shall the School Board of the Palmyra-Eagle Area School District be authorized to exceed the revenue limit under Section 121.91 of the Wisconsin Statutes in the amounts set forth below on a non-recurring basis over a period of four years commencing with the 2019-20 school year as follows: \$1,750,000 in the 2019-20 school year, \$2,500,000 in the 2020-21 school year, \$3,250,000 in the 2021-22 school year and \$4,000,000 in the 2022-23 school year for the purpose of paying District operation and maintenance expenses as provided in the foregoing resolution?”

The final results of the referendum are summarized by municipality in Exhibit 7 which accompanies this narrative report. Note the final verification of canvassed results indicates the failure of the referendum by a 803 margin (2276 “No” to 1473 “Yes” votes). The margin in voting indicators variances in voting patterns evident in municipal and county lines.

In part due to the failure of the referendum on April 8, 2019 the PEASD school board voted to issue a Preliminary Order to Dissolve the School District. A copy of that document may be found in Exhibit 8 which accompanies this narrative report.

Subsequently, and due to the inability of the school district to exist due to anticipated financial difficulties, the PEASD school board voted to issue an Order to Dissolve the School District. A copy of that document may be found in Exhibit 9 which accompanies this narrative report.

Under the provisions of Wisconsin state law 117.10 (3) residents of the Palmyra-Eagle Area School District sought, via petition, the holding of an Advisory Referendum on the matter of dissolution. While multiple challenges were brought before both the school district and the Wisconsin Elections Commission the holding of the Advisory Referendum was permitted to be held and was on Tuesday, November 5, 2019. The results of that Advisory Referendum may be found in Exhibit 10 which accompanies this narrative report.

A single question was presented to the voters in the district and was stated as follows:

“Shall the Palmyra - Eagle Area School District be Dissolved under Section 117.10 of the Wisconsin State Statutes?” Yes: _____ No: _____ Verified results of the election by the board of canvassers indicated that 1,219 votes were cast in favor of the dissolution (a “Yes” vote) and 1,082 votes were cast not to dissolve the district (a “No” vote). The margin in voting was 137 votes with variances in voting patterns evident in municipal and county lines.

As noted, the referendum itself by virtue of being advisory in nature, held no sway upon the determination by the PEASD school board to dissolve the district.

9. (Criteria 9) *Other appropriate factors.*

Contrary to claims made by others, the Palmyra-Eagle Area School District is not a “failing school district.” The historical information shared in Exhibit 11 below demonstrates that on every State of Wisconsin accountability measurements over time the school district has been determined to be in the “Meets” or “Exceeds” category.

Exhibit 11

Palmyra-Eagle Area School District Accountability Report Cards - Historical

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
P-E District	NA	67.0 Meets	68.0 Meets	No public results released	73.4 Exceeds	73.8 Exceeds	73.2 Exceeds	70.7 Meets
EES	68.3 Meets	64.8 Meets	70.5 Meets	No public results released	82.1 Exceeds	83.5 Significantly Exceeds	83.4 Significantly Exceeds	77.3 Exceeds
PES	65.7 Meets	68.6 Meets	67.9 Meets	No public results released	80.4 Exceeds	85.2 Significantly Exceeds	78.7 Exceeds	71.8 Meets
P-E MS	57.2 Meets Few	65.6 Meets	67.5 Meets	No public results released	69.8 Meets	63.5 Meets	58.0 Meets Few	60.7 Meets Few
P-E HS	72.1 Meets	71.0 Meets	68.3 Meets	No public results released	68.8 Meets	70.6 Meets	72.9 Meets	77.2 Exceeds

Overall Accountability Ratings

Range	Rating
83-100	Significantly Exceeds
73-82.9	Exceeds
63-72.0	Meets
53-62.9	Meets Few
0-52.9	Fails to Meet

NOTE:

- Scores based upon Wisconsin Forward Exam results (2015-2016, 2016-2017, 2017-2018, 2018-2019)
- No Statewide assessment results reported on the Badger State Exam (2014-2015)
- Scores based upon Wisconsin Knowledge and Concepts Exam – WKCE (2011-2013)