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SCHOOL DISTRICT OF JEFFERSON
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TO: School District Boundary Appeals Board

FROM: Mark D. Rollefson, Ed.D., Superintendent

RE: **School District of Jefferson's Position on Palmyra-Eagle Area School District Dissolution**

DATE: November 21, 2019

Advocacy versus Responsibility

As a superintendent of schools and public servant, I advocate for all children in Wisconsin. As the superintendent specifically of the School District of Jefferson (SDoJ), I am hired to advocate and assure of high quality education for the students of the School District of Jefferson. This is where my responsibility rests.

In addition to the students of the SDoJ, I serve the parents, businesses, service and civic organizations, and employees of the SDoJ. This is not to say I do not care about the children and the communities of Palmyra and Eagle, because I do. However, my job and employer is that of Jefferson.

With that said, I am speaking on behalf of the students, employees, parents, businesses, and organizations of Jefferson, Sullivan, Rome, and Helenville. As a representative of the communities of which I serve, I strongly oppose dissolving the PEASD. I share this stance as the superintendent of the SDoJ. The Board of Education of the School District of Jefferson has this same stance.

Fact & Criteria versus Emotion

A representative of the SDBAB spoke last week indicating the necessity of all persons speaking at the public forum to remove emotion and consider facts based on the criteria as set forth by statute and the SDBAB.

I appreciated those comments made and wholeheartedly agree. Making difficult decisions when emotions run high necessitates level headed patience and poise. As such, I will address the rationale of the SDoJ stance on the criteria that the SDBAB has established as important.

Facts and Figures Regarding Jefferson

Let me first start, however, with some information and background about Jefferson.

1. We experienced a net loss due to open enrollment reaching figures of nearly \$700,000 net loss per year. Our district lost millions of dollars over the course of several years.
2. A variety of efforts have allowed us to turn that around, thereby experiencing a net gain of students in recent years.
3. However, we are still a declining enrollment district.

4. The socioeconomics of Jefferson are similar to that of PEASD with approximately 40% free and reduced.
5. It is difficult for many of our families to financially support their needs.
6. We attempted three operations referendum over the past five years. The first one (non-recurring) failed, the next one (non-recurring) passed, and the most recent one (phased-in recurring) passed.
7. We are in year number one of the phased-in recurring operations referendum with an additional \$775,000 for our district. This is not easy considering our demographics.
8. Please remember that number of \$775,000.
9. This operations referendum was advertised to maintain our current programming. We did not build in extra.
10. We told our public what our financial advisor, Baird, estimated the mill rate would be at with the referendum dollars included, and we have been able to deliver on that promise to our public.
11. As we forecast next year's 2020-21 budget, we have a \$58,000 surplus. This is clearly not a lot. Our budget continues to be very tight.
12. I was at a workshop in Madison a week ago today. I sat with two superintendents who told me their fund balances were at 70% and 90% of their budget. This is nice for those districts. I do not want to call out those districts, but I find this to be an abuse of taxpayers' dollars. The SDoJ does not believe we should be able to hold local taxpayers' dollars hostage.
13. The SDoJ has a board policy stating that our fund balance must not drop below 10% and not be above 20%. The SDoJ Board of Education assures we remain within those reasonable confines.
14. Our district is long and skinny. We can travel 5 miles to the South and be in Fort Atkinson. We can travel 5 miles to the north and be in Johnson Creek. We can travel 7 miles to the west and be in Lake Mills. However, we can travel from Jefferson 14 miles east and still be in the SDoJ. Our largest hub is Jefferson with another hub in Rome/Sullivan. In between is mostly farmland and swamp (not neglecting small Helenville).

SDBAB Criteria #1 - Geography and Bus Distances

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.

It appears that the most natural territory redistribution would go to Mukwonago and/or Whitewater. However, it is reasonable to see that a small sliver of territory could be redistributed to the SDoJ. Looking at a map, this could be roughly 5% of the current PEASD territory configuration. This might be, at best, 5-20 students. It appears some of these students open enroll into the SDoJ already, so the net gain in student membership is negligible.

The bus travel time and distance from the northernmost portions of the PEASD to Sullivan Elementary School are reasonable at less than 30 minutes of bus drive time one way.

The time on the bus for these same areas of the PEASD to Jefferson Middle School and Jefferson High School would likely be more than one hour (two hours per day) which is greater than what the School District of Jefferson School Board Policy allows.

As such the cost to transport these students would likely be enough to move our currently forecasted budget as flat for the 2020-21 school year. In other words, the "surplus" of \$58,000 could reasonably be used up just due to transportation.

Transportation is one factor influencing our decision to request the SDBAB deny the request of dissolving the PEASD.

SDBAB Criteria #2 and #3 - Educational Needs of the Children

The educational needs of all of the children 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.

Do we have "room" for students to attend Sullivan Elementary, Jefferson Middle and Jefferson High schools? The answer is definitely, "Yes." As mentioned, although we have a net gain in open enrollment, we are still experiencing declining enrollment overall. We have the space. Additional students would not negatively or adversely affect educational programming for the SDoJ. The students would be welcomed to our fine academic programs, fine arts, athletic teams, clubs, and organizations.

However!

I am basing these next comments on some reasonable assumptions. If the SDBAB decides to redistribute territory to neighboring districts, and if the SDoJ were to be assigned approximately 5% of the territory, and if 5% of this territory equates to 5% of equalized property value, then is it reasonable to assume the SDoJ would be assigned approximately 5% of the \$13 million dollars of PEASD debt. These are a lot of IFs, but this entire dissolvency process is loaded with many IF factors.

Five percent of the \$13 million dollar debt is \$650,000. This is nearly all of the money (\$775,000) we passed in our current operations referendum. If you throw in some voucher students, it is reasonable to draw the conclusion that our community passed an operations referendum to pay for PEASD debt and voucher students.

It is reasonable to ask the questions:

- Would Jefferson have to pass a one-time operations referendum to pay off the PEASD assigned debt?
- Would we have to layoff staff to pay for the newly assigned debt?
- Would we have to cut academic and/or extracurricular programs to pay off the newly assigned debt?
- Would we have to delay maintenance and projects to pay off the newly assigned debt?
- Would we have to use a portion of our fund balance, built up over many years through the careful use of our resources, to pay another's debt and then have to borrow for our cash flow needs, incurring additional expense?

This could result in cuts to our programming causing an adverse and negative effect on the education of the children we serve. As such, the stance of the SDoJ is to deny dissolvency.

SDBAB Criteria #4 - Testimony and Written Statements

The testimony of and written statements filed by the residents of the affected school districts will be a consideration of the SDBAB.

This statement I am verbalizing here this evening is not only from me, but on behalf of the board of education of the SDoJ. Additionally, I suspect the SDBAB will receive similar stances via electronically submitted written statements from Jefferson stakeholders.

SDBAB Criteria #5 - Estimated Fiscal Effect

1. As mentioned earlier, assuming debt from the PEASD could reasonably negatively and adversely affect the SDoJ.
2. As mentioned earlier, the additional (likely few) students may only marginally help the SDoJ while considering there are some who already chose Jefferson through open enrollment.
3. As mentioned earlier, the additional transportation of students may result in a financial constraint.
4. If the SDoJ picked up more students than we predict or estimate, is it possible that this negatively affects our district through current hold harmless exemptions as experienced through the state funding formula.
5. Sometimes adding one student to a grade (for example 4th grade) changes the student headcount for that grade from 21 to 22 students. Other times it may go from 29 to 30 students necessitating hiring another teacher. This is unpredictable. The SDoJ would like more than a year to prepare for this.
6. Is it possible the SDoJ would pick up a student(s) with significant special education needs necessitating increased paraprofessional help, pupil services staffing, transportation needs, or various needs based on IEPs. The SDoJ needs more than a few months to plan for this.

SDBAB Criteria #6 - Referenda Held

The results of any referendum held.

It is realized that the PEASD held an advisory referendum and 53% of the voters supported dissolvency. I am confident that given the influencing factors and concerns shared that if the SDoJ had held an advisory referendum regarding the dissolvency of the PEASD, and the reassignment of debt to the taxpayers of the SDoJ, the residents of the SDoJ would have voted to deny dissolvency of PEASD.

The residents of the SDoJ are paying on their own debt for ACT32 energy efficiencies, construction debt of the newly remodeled high school, and our recently passed operations referendum. Asking our residents to assume debt from the PEASD is unreasonable.

SDBAB Criteria #7 - Other Appropriate Factors

The SDoJ supports any of the following:

1. Keep the PEASD operating for the 2020-21 school year.
2. Allow Eagle to detach and join with Mukwonago for 2021-22.
3. Allow Palmyra to stand on its own as a smaller district starting 2021-22.