

2020 School District of Janesville Operational Referendum

Executive Summary

This memorandum will examine several topics, including how public schools are funded in Wisconsin; the School District of Janesville's financial situation and the challenges faced by the district and the community; and our position on the district's 2020 operational referendum. It is intended to give Forward Janesville members a 360-degree look at the education finance landscape so they can make an informed decision at the polls on November 3.

School Finance Background

According to a [2018 issue of the Wisconsin Taxpayer](#), "Wisconsin's 421 public school districts are primarily financed through a mix of state aid and local property taxes. In general, increases in school district revenue from the combination of those two sources is capped on a per-pupil basis by the state legislature.

For much of Wisconsin's history, school boards were responsible for deciding how much to spend on education, and how much revenue to raise via the property tax levy to fund spending. However, "facing public outcry over rising property taxes, Wisconsin lawmakers created revenue limits to slow levy growth" in 1994. ([The Wisconsin Taxpayer, October 2016](#))

The revenue limits a district faces today largely reflect the district's per-pupil spending in the 1992-93 school year, and are adjusted each year by the legislature and long-term changes in a district's student enrollment. The legislature modifies the allowable revenue limit increase based primarily on the rate of inflation, though the calculation may also reflect the state's economic health; reductions have occurred during economic downturns. ([School Spending and Student Outcomes: Evidence from Revenue Limit Elections in Wisconsin](#))

School districts may only exceed these revenue limits if voters approve a referendum. Districts seek capital referendums to pay for tangible items like a new school building, while operational referendums are used to fund school district operations.

"The school district of Germantown was the first to attempt a referendum during the fall of 1994. The school district asked its voters for approval to exceed revenue limits in a recurring referendum. (The referendum failed.) Since then, roughly 75 percent of Wisconsin's 421 school districts have held at least one referendum. There have been 1,212 individual questions on the ballot to override state-imposed revenue limits for operational purposes since Germantown's first attempt in 1994." ([School Spending and Student Outcomes: Evidence from Revenue Limit Elections in Wisconsin](#))

The School District of Janesville has held eight capital referendums since 1994; four passed and four failed. This is the first time the district has sought an operational referendum. [Click here to learn more about the district's past referendums.](#)

The School District of Janesville's Fiscal Situation

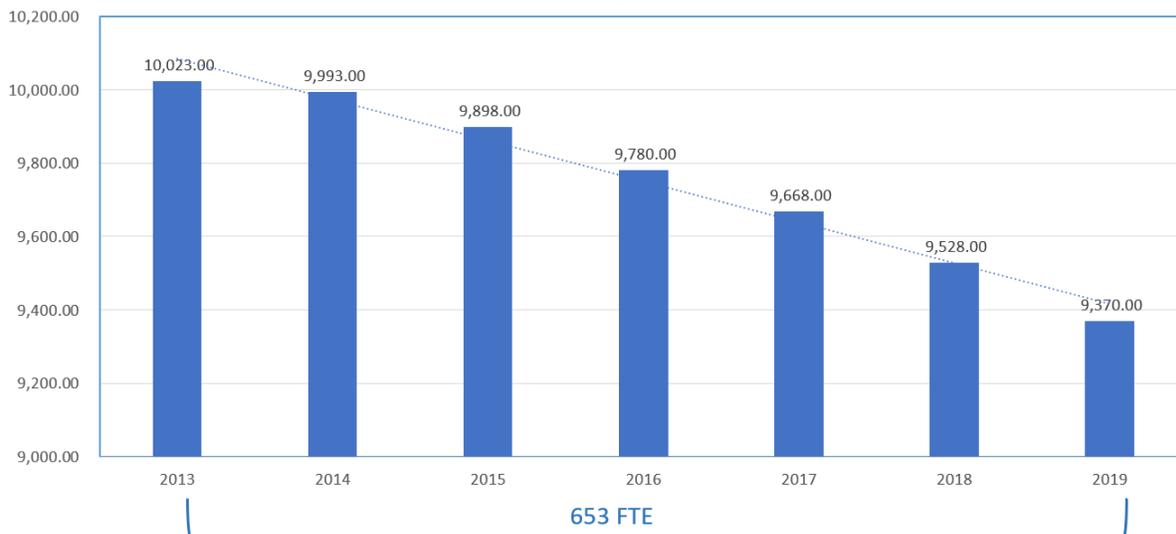
According to the school district's website, "The School District of Janesville has a lower revenue limit per student than an overwhelming majority of districts in the area." Here is a graphic that illustrates this:

2019-20 Base Revenue Limit per Member

• Clinton	\$10,905	
• Edgerton	\$10,492	
• State Average	\$10,143*	State Average = \$443 more per member. Assume 3 year member average of 9,594 = <u>\$4,250,142</u> MORE for School District of Janesville
• County Average	\$10,115	
• Parkview	\$10,061	Rock County Average = \$415 more per member. Assume 3 year member average of 9,594 = <u>\$3,981,510</u> MORE for School District of Janesville
• Turner	\$9,931	
• Evansville	\$9,878	
• Beloit	\$9,838	
• Janesville	\$9,700	
• Milton	\$9,700	

This is exacerbated with declining enrollment. "This is partially because a Wisconsin district's revenue limit is tied to its enrollment. Districts with declining year-over-year enrollments, such as Janesville, have revenue limits that typically decline faster than their ability to save money due to serving fewer students." Here is a graphic displaying the district's recent enrollment trend:

September Membership 2013-2019



"Based on new forecasting conducted by the district with its financial adviser, the district is predicting a significant budget deficit starting next year if efforts are not made to address it. This is despite efforts to trim costs throughout the district." As a result of these circumstances, the Janesville School Board approved adding the operational referendum question to the November ballot.

School District of Janesville Outcomes

Great schools are a key ingredient for vibrant and growing communities. National research provides evidence as to what indicators define “great” and gives the roadmap on how to achieve “greatness.”

The Journey to Excellence: In 2004 the School District of Janesville took an important step forward in focusing on excellence. The school district used an evidence-based leadership program called the Journey to Excellence from 2007-2017. The Journey to Excellence program focuses on student achievement based on data and measurable improvement for staff. The plan evaluates supervisors on their performance using metrics, which creates a final "score" for the staff.

The Journey to Excellence has six foundational pillars: service, quality, people, finance, growth and health/safety. The school board used these pillars to help set goals and standards of professional behavior, which were adopted for all employees to follow. The Journey to Excellence program was created by Janesville entrepreneur and native Quint Studer, who donated use of the program to the district at no charge. ([Janesville Gazette, 2-10-15](#))

The Janesville Promises: In 2017, the School District adopted the "Janesville Promises" to address key elements impacting student and school success. This was presented by the incoming Superintendent and, in part, was meant to address the widely perceived issue that standardized test scores are not always indicative of post-graduation success. The promises were based upon research that identified critical elements to redefine how high school students were deemed “ready” post high school education or careers. ([Click here to learn more about this criteria.](#))

These Promises utilize five components with indicators that move the entire district forward with the intention of achieving success within five years. The five promises are:

- Student and School Success: Every student is known by name, strength, need; and every student graduates ready for college, career, and life.
- Relationships: Efficient, effective, and caring interactions with students, parents, and the community.
- Culture and Climate: Challenging, fulfilling and enjoyable work environment for district employees.
- Finance: Continuous monitoring and re-alignment of district resources.
- Health and Safety: Prioritize the safety, health, and wellness of our school community.

The district tracks progress on its Promises [here](#). The district has made significant progress on several of its Promises, including [the percentage of graduates who meet Career Ready Indicators](#) (from 62 percent in 2017 to 84 percent in 2019; the goal is 90 percent); and the [percentage of graduates that meet College Ready indicators](#) (from 51 percent in 2017 to 57 percent in 2019; the goal is 90 percent). Progress on other

Promises initiatives have been slower, such as the [percentage of 3rd grade students reading at or above grade level](#) (from a baseline of 58 percent in 2017 to 58 percent in 2019; the goal is 90 percent.) The district has updated several of its Promises in the wake of the ongoing coronavirus pandemic; [click here to learn more](#).

While the Promises represent the accountability measures used by the Janesville Board of Education, there are also other public reports cards that play an important role in showing educational outcomes. These report cards are easily understood and are important metrics used by state regulators, businesses, and private individuals when evaluating the success, or lack thereof, of individual schools and school districts.

Department of Public Instruction (DPI) Report Cards: Each year, the DPI issues report cards for every publicly funded school and district in Wisconsin. These accountability report cards include data on multiple indicators for multiple years across four priority areas (student achievement, growth, closing gaps, and on-track and post-secondary success). In addition, given the impact on student success, the accountability report cards also measure chronic absenteeism and dropout rates. [Click here for more information about DPI Report Cards](#).

A school or district's overall accountability score places the school/district into one of five overall accountability ratings:

- Significantly exceeds expectations: 100 - 83
- Exceeds expectations: 82.9 - 73
- Meets expectations: 72.9 - 63
- Meets few expectations: 62.9 - 53
- Fails to meet expectations: 52.9 - zero

For the 2018-19 school year, the School District of Janesville scored 64.2 overall, which puts the district in the “meets expectations” category. The individual school rankings for 2018-19 are as follows:

- **Significantly exceeds expectations** (4.5 percent of Janesville schools):
 - Roosevelt Elementary (84.3)
- **Exceeds expectations** (13.6 percent of Janesville schools):
 - Van Buren Elementary (79.9)
 - Kennedy Elementary (79.7)
 - ARISE Virtual Academy (75.5)
- **Meets expectations** (45.5 percent of Janesville schools):
 - Edison Middle School (71.3)
 - Franklin Middle School (70.2)
 - Harrison Elementary (69.6)
 - Monroe Elementary (65.4)

- Jefferson Elementary (65.3)
 - Wilson Elementary (65.2)
 - Craig High School (64.6)
 - TAGOS Leadership Academy (64.4)
 - Madison Elementary (64.1)
 - Parker High School (63.1)
- **Meets few expectations** (22.7 percent of Janesville schools):
 - Jackson Elementary (60.5)
 - Adams Elementary (60.4)
 - Washington Elementary (60.4)
 - Marshall Middle School (57.3)
 - Lincoln Elementary (54.2)
 - **Fails to meet expectations:** None.

Six district schools (ARISE Virtual Academy, Craig High School, Kennedy Elementary, Roosevelt Elementary, TAGOS Leadership Academy, and Van Buren Elementary) have seen an increase in their DPI score from four years ago. The district's overall score has fallen from 75.0 overall in the 2015-16 school year to 64.2 in 2018-19. ([The Janesville Gazette, 11-12-19](#))

[Click here for a deep dive into the DPI's Report Card data for the school district.](#)

ACT Scores: According to a [9-12-19 story from the Janesville Gazette](#), "The Janesville School District's ACT scores for the junior class dropped for the third year in a row...The Janesville School District's overall ACT scores went from 19.3 in the 2016-17 school year, to 18.9 in 2017-18 and to 18.4 in 2018-19, according to DPI data."

Here are the 2018-19 ACT scores for each Janesville secondary school:

JANESVILLE			
Janesville schools ACT scores			
	2016-17	2017-18	2018-19
Rock University	21.9	20.7	20.3
ARISE	19.4	19.9	18.5
Craig	20.3	19.7	19.3
Parker	18.9	18.5	18.1
TAGOS	17.7	17.2	18.3
Rock River	13.5	14.1	13.9
District	19.3	18.9	18.4
State	20.2	19.9	19.6

SOURCE: Wisconsin Department of Public Instruction

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However, recent research shows that “standardized testing has been declining as an element in the college admissions process for some time. More than 1,230 colleges and universities have made the SAT and ACT optional for admission,” including the University of Chicago and the University of California system. ([The New York Times, 5-21-20](#))

Wisconsin Forward Exam Scores: “Wisconsin Forward Exams, which are given to children in grades 3 to 8...places students in one of four categories: below basic, basic, proficient, and advanced.

“Highlights from the Janesville School District’s Wisconsin Forward Exam include:

About 80% of students scored in the basic, proficient or advanced categories in English language arts.

About 72% of students scored in the basic, proficient or advanced categories in math.

About 76% of students scored in the basic, proficient or advanced categories in social studies.

About 88% of students scored in the basic, proficient or advanced categories in science.” ([The Janesville Gazette, 9-12-19](#))

School Rating Websites: There are several outside organizations that measure school outcomes and are focused on providing information to the public, particularly parents shopping districts and schools. Two of the most well-known are [U.S. News’s Best Schools Rankings](#) and [Greatschools.org](#).

Referendum Background

The \$37 million operational referendum would address issues such as maintaining programs and services, salaries and other costs associated with daily operations in a school district.

The district website states: "If approved by voters in November, the district's budget would be balanced, only limited cuts would be made, and school-related taxes would remain below the state average."

According to a survey this summer, nearly 60 percent of Janesville residents said they would support an operational referendum. However, "a member of the school board said...he's not sure the survey results are valid because a survey question about the cost of (the operational) referendum was not clear." ([The Janesville Gazette, 8-4-20](#))

Tax Impact: The operational referendum would cost taxpayers an increasing amount each year for four years: an estimated \$39 increase per \$100,000 of assessed home value in year one, a \$31 increase in year two, a \$21 increase in year three, and a \$28 increase in year four. This increase is cumulative, so property tax bills would rise \$39 from its current level in the first year to \$70 in the second year, \$91 in the third year and \$119 in the fourth year.

Outcome Impact: An analysis of hundreds of Wisconsin school district operational referendums between 1996-2014 found that "Wisconsin school districts allocate roughly 80 percent of the additional resources from a successful operational referendum to instruction in the form of higher teacher compensation and experience, lower student-teacher ratios, and lower teacher attrition. Improvements in these inputs result in substantial improvements in student outcomes: a 30 percent increase of a (district-level) standard deviation in test scores, a 25 percent decrease in the district's dropout rate, and a 15 percent increase in postsecondary enrollment at four-year institutions." ([School Spending and Student Outcomes: Evidence from Revenue Limit Elections in Wisconsin](#))

Our Position

Forward Janesville prioritizes education and values its partnership with our community's educational leaders. Based on research and in-depth dialogue with these leaders, we expect that the strategic investments that will come from this referendum will enhance the educational experience delivered to Janesville's students and will result in a better educated and more prepared student body.

We acknowledge that our community and the school district face many challenges, most of which are not unique to us: how to keep schools open and thriving during a global pandemic; rising levels of student poverty and homelessness; declining enrollment; and downward trends in certain student metrics. However, the communities that move forward—that attract and retain employers and create a growing tax base—do not view these issues as excuses but rather as calls to community action.

We understand that the School District and our teachers cannot do this alone and that money will not solve the challenges we face. By ensuring that the resources are available and that a comprehensive plan is in place, Forward Janesville will actively work with school district staff, teachers, parents, employers and others to address these challenges. We will closely monitor how these funds, if approved, will lead to improved academic performance throughout the district.

Great schools mean strong communities, and we are all stronger together. Janesville has made significant progress since the Great Recession and the closing of General Motors and we must continue our momentum. We encourage voters to support our schools by voting in favor of the school district's \$37 million operational referendum on November 3.