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DOA:.....Hynek, BB0370 – Charter School Authorizing Board

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

Do Not Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, a school board may enter into a contract with a person to establish a charter school, which operates with fewer constraints than traditional public schools. Current law also permits UW–Milwaukee, UW–Parkside, the Milwaukee Area Technical College, and the city of Milwaukee to operate charter schools (independent charter schools) directly or to contract for the operation of such charter schools. In general, only pupils who reside in the school district in which an independent charter school is located may attend the charter school.

This bill creates the Charter School Oversight Board (CSOB), attached to DPI, and authorizes it to approve nonprofit, nonsectarian organizations, or consortia of such organizations, to contract with persons to operate independent charter schools. The CSOB consists of the state superintendent of public instruction and ten other members. Of the latter members, two are appointed by the state superintendent, two are appointed by the governor, and six by the leaders in the senate and assembly. The bill prohibits the CSOB from promulgating administrative rules and provides that any policy or standard adopted by the CSOB is exempt from the rule-making process.

The bill eliminates the authority of the entities specified above, and of any approved nonprofit organization, to establish an independent charter school directly.

For any school established on or after the bill's effective date;

Under the bill, a charter school may be established only by contract and must be operated by a charter school governing board. The bill removes the restrictions that limit who may attend an independent charter school.

A nonprofit, nonsectarian organization or consortium of such organizations that wishes to contract with a charter school governing board to operate a charter school must apply to the CSOB. The application must include a strategic plan for such contracting; a performance framework for use in supervising and evaluating charter schools; an assurance that the organization or consortium will ensure accountability and transparency on the part of the governing boards with which it contracts; a plan, including corrective action strategies, designed to improve a charter school, or close such a school, that fails to meet contractual performance standards; a description of the types of charter schools it is seeking to establish; information on its finances; and a plan for entering into additional contracts in order to replicate successful charter schools. The CSOB must approve or deny an application within 90 days.

The bill provides that the contract between an authorizing entity and the independent charter school's governing board must allow the former to charge the governing board a fee.

The bill allows a charter school contract to provide for more than one charter school, and allows a charter school governing board to enter into more than one contract. The bill allows a school board to prohibit a pupil who resides in the school district from attending an independent charter school unless the school district's enrollment is at least 4,000 and at least two schools in the school district were rated "fails to meet expectations" or "meets few expectations" in DPI's most recent school report.

Current law prohibits a school board from converting all of the public schools in the school district to charter schools unless the school board provides alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a charter school. In addition, a school board may not grant a petition to establish a charter school that would result in the conversion of all the public schools in the school district to charter schools unless at least 50 percent of the teachers employed by the school district sign the petition.

This bill eliminates the conditions on converting all of a school district's public schools to charter schools and explicitly permits a school board to do so.

Current law provides that no pupil may be required to attend a charter school without his or her approval, if the pupil is an adult, or the approval of his or her parents, if the pupil is a minor. This bill provides that this prohibition does not apply if all of a school district's public schools are converted to charter schools.

The bill requires that a charter school accept pupils at random if the capacity of the school is insufficient to accept all applicants. A charter school must, however, give preference in enrollment to pupils who were enrolled in the school in the previous school year and to siblings of pupils who are enrolled in the school. In addition, the bill allows a charter school to give preference in enrollment to children of the charter school's founders, governing board members, and full-time employees

so long as the number of such children given preference constitutes no more than 10 percent of the school's enrollment.

The bill requires each charter school authorizer to submit an annual report to the legislature and DPI that includes the following:

1. An identification of each charter school under contract with it and each charter school that had its contract nonrenewed or revoked or that closed.
2. The academic and financial performance of each charter school.
3. Its operating costs, detailed in an audited financial statement.
4. The services it provided to the charter schools under contract with it.

The bill directs each nonprofit organization or consortium that has been approved by the CSOB to contract with a charter school operator annually to submit an identical report to the CSOB.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 15.07 (2) (c) of the statutes is created to read:

2 15.07 (2) (c) The chairperson of the charter school oversight board shall be
3 designated by the governor.

4 **SECTION 2.** 15.375 (1) of the statutes is created to read:

5 15.375 (1) CHARTER SCHOOL OVERSIGHT BOARD. (a) There is created a charter
6 school oversight board attached to the department of public instruction under s.
7 15.03. The board shall consist of the state superintendent of public instruction or his
8 or her designee and the following members appointed for 3-year terms:

9 1. Two members appointed by the governor, at least one of whom has served on
10 the governing board of a charter school established under s. 118.40 (2r), has been
11 employed by a charter school established under s. 118.40 (2r), or has served on the
12 governing body of an entity specified in s. 118.40 (2r) (b) 1. a. to e.

13 2. a. Two members, who are not legislators, appointed by the senate majority
14 leader.

1 b. One member, who is not a legislator, appointed by the senate minority leader.

2 c. Two members, who are not legislators, appointed by the speaker of the
3 assembly.

4 d. One member, who is not a legislator, appointed by the assembly minority
5 leader.

6 3. Two members, appointed by the state superintendent of public instruction,
7 who in addition to the qualifications under par. (b) have ~~experience and expertise in~~
8 ~~governing charter schools or charter school authorizers.~~ (4-8) ✓

9 (b) The appointing authorities under par. (a) shall ensure to the extent feasible
10 that members appointed to the board are geographically diverse and have experience
11 and expertise in governing public and nonprofit organizations; in management and
12 finance; in public school leadership, assessment, and curriculum and instruction;
13 and in education law; and understand and are committed to the use of charter schools
14 to strengthen public education.

15 (c) No member of the board appointed under par. (a) may serve more than 2
16 consecutive terms.

17 (d) The board does not have rule-making authority.

18 SECTION 3. 111.81 (7) (f) of the statutes is amended to read:

19 111.81 (7) (f) Instructional staff employed by the board of regents of the
20 University of Wisconsin System who provide services for a charter school established
21 by contract under s. 118.40 (2r) (cm), 2011 stats.

22 SECTION 4. 111.815 (1) of the statutes, as affected by 2011 Wisconsin Acts 10
23 and 32, is amended to read:

24 111.815 (1) In the furtherance of this subchapter, the state shall be considered
25 as a single employer and employment relations policies and practices throughout the

1 state service shall be as consistent as practicable. The office shall negotiate and
2 administer collective bargaining agreements. To coordinate the employer position
3 in the negotiation of agreements, the office shall maintain close liaison with the
4 legislature relative to the negotiation of agreements and the fiscal ramifications of
5 those agreements. Except with respect to the collective bargaining unit specified in
6 s. 111.825 (1r), and (1t),, the office is responsible for the employer functions of the
7 executive branch under this subchapter, and shall coordinate its collective
8 bargaining activities with operating state agencies on matters of agency concern.
9 The legislative branch shall act upon those portions of tentative agreements
10 negotiated by the office that require legislative action. With respect to the collective
11 bargaining units specified in s. 111.825 (1r), the Board of Regents of the University
12 of Wisconsin System is responsible for the employer functions under this subchapter.
13 With respect to the collective bargaining units specified in s. 111.825 (1t), the
14 chancellor of the University of Wisconsin-Madison is responsible for the employer
15 functions under this subchapter. With respect to the collective bargaining unit
16 specified in s. 111.825 (1r) (ef), the governing board of the charter school established
17 by contract under s. 118.40 (2r) (cm), 2011 stats., is responsible for the employer
18 functions under this subchapter.

19 **SECTION 5.** 111.825 (1r) (ef) of the statutes, as affected by 2011 Wisconsin Act
20 32, is amended to read:

21 111.825 (1r) (ef) Instructional staff employed by the board of regents of the
22 University of Wisconsin System who provide services for a charter school established
23 by contract under s. 118.40 (2r) (cm), 2011 stats.

24 **SECTION 6.** 111.825 (2) (f) of the statutes is amended to read:

1 111.825 (2) (f) Instructional staff employed by the board of regents of the
2 University of Wisconsin System who provide services for a charter school established
3 by contract under s. 118.40 (2r) (cm), 2011 stats.

4 **SECTION 7.** 111.92 (1) (c) of the statutes is amended to read:

5 111.92 (1) (c) Any tentative agreement reached between the governing board
6 of the charter school established by contract under s. 118.40 (2r) (cm), 2011 stats.,
7 acting for the state, and any labor organization representing a collective bargaining
8 unit specified in s. 111.825 (1r) (ef) shall, after official ratification by the labor
9 organization and approval by the chancellor of the University of
10 Wisconsin-Parkside, be executed by the parties.

11 **SECTION 8.** 115.001 (1) of the statutes is amended to read:

12 115.001 (1) CHARTER SCHOOL. "Charter school" means a school under contract
13 with a school board under s. 118.40 or with ~~one of the entities~~ an entity under s.
14 118.40 (2r) (b) 1., or a school established and operated by ~~one of the entities~~ an entity
15 under s. 118.40 (2r) (b) 1. a. to d.

16 **SECTION 9.** 118.40 (2) (b) (intro.) of the statutes is renumbered 118.40 (2) (b) and
17 amended to read:

18 118.40 (2) (b) A school board may grant a petition that would result in the
19 conversion of all of the public schools in the school district to charter schools ~~if all of~~
20 ~~the following apply.~~

21 **SECTION 10.** 118.40 (2) (b) 1. and 2. of the statutes are repealed.

22 **SECTION 11.** 118.40 (2m) (b) of the statutes is amended to read:

23 118.40 (2m) (b) A school board may ~~not~~ enter into a contract under par. (a) that
24 would result in the conversion of all of the public schools in the school district to
25 charter schools ~~unless the school board complies with sub. (2) (b) 2.~~

1 **SECTION 12.** 118.40 (2r) (b) 1. (intro.) of the statutes is amended to read:

2 118.40 **(2r)** (b) 1. (intro.) All Except as provided in subd. 3., any of the following
3 entities may ~~establish by charter and operate a charter school or, on behalf of their~~
4 ~~respective entities, may initiate a contract with an individual or group a person to~~
5 operate a school as a charter school:

6 **SECTION 13.** 118.40 (2r) (b) 1. e. of the statutes is created to read:

7 118.40 **(2r)** (b) 1. e. Any nonprofit, nonsectarian organization or consortium of
8 such organizations approved by the charter school oversight board under par. (bm).

9 **SECTION 14.** 118.40 (2r) (b) 2. of the statutes is renumbered 118.40 (2r) (b) 2.
10 (intro.) and amended to read:

11 118.40 **(2r)** (b) 2. (intro.) A charter shall include all of the provisions specified
12 under sub. (1m) (b) 3. to 14. A contract shall include all of the provisions specified
13 under sub. (1m) (b) 1. to 14. and shall specify the effect of the establishment of the
14 charter school on the liability of the contracting entity under this paragraph. The
15 contract shall also include all of the following provisions and may include other
16 provisions agreed to by the parties.—~~The chancellor of the University of~~
17 ~~Wisconsin-Milwaukee or of the University of Wisconsin-Parkside may not establish~~
18 ~~or enter into a contract for the establishment of a charter school under this~~
19 ~~paragraph without the approval of the board of regents of the University of~~
20 ~~Wisconsin System.;~~

21 **SECTION 15.** 118.40 (2r) (b) 2. a. to k. of the statutes are created to read:

22 118.40 **(2r)** (b) 2. a. A requirement that the charter school governing board
23 adhere to specified annual academic and operational performance standards
24 developed in accordance with the performance framework of the entity with which
25 it is contracting.

1 b. Provisions detailing the corrective measures the charter school governing
2 board will take if the charter school fails to meet performance standards.

3 c. A provision allowing the governing board of a charter school that receives a
4 rating of “exceeds expectations” or “significantly exceeds expectations” in the most
5 recent school report published by the department under s. 115.385 to open one or
6 more additional charter schools. If the charter school governing board opens one or
7 more additional charter schools, the existing contract applies to the new school or
8 schools unless the parties agree to amend the ^{existing} contract or enter into a new contract.

***NOTE: Section 115.385 is created in 2013 LRB-1158.

9 d. The methodology that will be used by the charter school governing board to
10 monitor and verify pupil enrollment, credit accrual, and course completion.

11 e. A requirement that the entity under subd. 1. have direct access to pupil data.

12 f. A description of the administrative relationship between the parties to the
13 contract.

14 g. A requirement that the charter school governing board hold parent-teacher
15 conferences at least annually.

16 h. A requirement that if more than one charter school is operated under the
17 contract, the charter school governing board reports to the entity under subd. 1. on
18 each charter school separately.

19 i. A requirement that the charter school governing board provide the data
20 needed by the entity under subd. 1. for purposes of making the report required under
21 sub. (3m) (a) 6.

22 j. A requirement that the charter school governing board participate in any
23 training provided by the entity under subd. 1.

immediately prior to

1 k. A description of all fees that the entity under subd. 1. will charge the charter
2 school governing board.

3 **SECTION 16.** 118.40 (2r) (b) 3. of the statutes is repealed and recreated to read:

4 118.40 (2r) (b) 3. If an entity specified in subd. 1. a. to d. ^{is/was} operating a charter
5 school itself ^{on} the effective date of this subdivision [LRB inserts date], it may
6 continue to do so.

7 **SECTION 17.** 118.40 (2r) (bm) of the statutes is repealed and recreated to read:

8 118.40 (2r) (bm) 1. A nonprofit, nonsectarian organization or a consortium of
9 such organizations that wishes to contract with a charter school governing board to
10 operate a charter school shall submit an application to the charter school oversight
11 board. The application shall include all of the following and any other information
12 requested by the board:

13 a. A strategic plan for contracting with charter school governing boards that
14 submit high-quality proposals for charter schools that meet identified educational
15 needs and promote a diversity of educational choices.

16 b. A performance framework for use in supervising and evaluating charter
17 schools that addresses pupil academic proficiency, growth in pupil academic
18 achievement, gaps in achievement between groups of pupils, pupil attendance, the
19 readiness of pupils for postsecondary education, the financial proficiency and
20 sustainability of charter schools, and charter school management.

21 c. An assurance that the organization or consortium will ensure accountability
22 and transparency on the part of those charter school governing boards with which
23 it contracts.

1 d. A plan, including corrective action strategies, designed to improve a charter
2 school under contract with the organization or consortium, or to close such a charter
3 school, based on contractual performance standards.

4 e. A description of the types of charter schools the organization or consortium
5 is seeking to establish, and their potential attendance areas.

6 f. Information on the organization's or consortium's finances and other
7 resources necessary for the charter school oversight board to determine the
8 applicant's ability to perform its functions under this section.

9 g. A plan for entering into additional contracts in order to replicate successful
10 charter schools.

11 2. The charter school oversight board shall approve or deny an application
12 within 90 days of receiving the application.

13 **SECTION 18.** 118.40 (2r) (c) of the statutes is repealed and recreated to read:

14 118.40 (2r) (c) 1. An entity under par. (b) 1. may contract for the operation of
15 a charter school located anywhere in this state.

16 ~~3. An entity under par. (b) 1. may refuse to renew a contract with a charter
17 school governing board if the school under contract consistently receives ratings of
18 "fails to meet expectations" or "meets few expectations" in the most recent school
19 report published by the department under s. 115.385.~~

20 4. a. A school board may prohibit a pupil who resides in the school district from
21 attending a charter school established under this subsection unless the school
22 district's membership, as defined in s. 121.004 (5), is at least 4,000 and at least 2
23 public schools in the school district were rated "fails to meet expectations" or "meets
24 few expectations" in the most recent school report published by the department
25 under s. 115.385.

1 b. A pupil who wishes to attend a charter school established under this
2 subsection and who resides in a school district in which the school board may prohibit
3 pupils from attending a charter school established under this subsection shall
4 submit an application to the school board. Within 30 days of receiving the
5 application, the school board shall issue a decision allowing or prohibiting the pupil
6 from attending the charter school.

7 **SECTION 19.** 118.40 (2r) (cm) of the statutes is repealed.

8 **SECTION 20.** 118.40 (2r) (f) of the statutes is created to read:

9 118.40 (2r) (f) A charter school established under this subsection is a local
10 educational agency under 20 USC 6301 to 6578 and as such is eligible for funding as
11 a local educational agency, and shall comply with all requirements of local
12 educational agencies, under 20 USC 6301 to 6578.

13 **SECTION 21.** 118.40 (3) (d) of the statutes is renumbered 118.40 (3m) (a) 3. and
14 amended to read:

15 118.40 (3m) (a) 3. ~~A school board or an entity under sub. (2r) (b) shall give~~ Give
16 preference in awarding contracts for the operation of charter schools to those charter
17 schools that serve children at risk, as defined in s. 118.153 (1) (a).

18 **SECTION 22.** 118.40 (3) (e) of the statutes is renumbered 118.40 (3m) (a) 2. and
19 amended to read:

20 118.40 (3m) (a) 2. When ~~establishing or~~ contracting for the establishment of
21 a charter school under this section, ~~a school board or entity specified under sub. (2r)~~
22 ~~(b) shall consider~~ adhere to the principles and standards for quality charter schools
23 established by the National Association of Charter School Authorizers.

24 **SECTION 23.** 118.40 (3) (f) of the statutes is created to read:

11-12 →

1 118.40 (3) (f) A contract with a school board or an entity under sub. (2r) (b) may
2 provide for the establishment of more than one charter school, and a charter school
3 governing board may enter into more than one contract with a school board or entity
4 under sub. (2r) (b).

5 **SECTION 24.** 118.40 (3) (g) of the statutes is created to read:

6 118.40 (3) (g) 1. Except as provided in subds. 2. and 3. and sub. (4) (ar) 1., a
7 contract with a school board or an entity under sub. (2r) (b) shall require that if the
8 capacity of the charter school is insufficient to accept all pupils who apply, the charter
9 school shall accept pupils at random.

10 2. A charter school shall give preference in enrollment to pupils who were
11 enrolled in the charter school in the previous school year and to siblings of pupils who
12 are enrolled in the charter school.

13 3. A charter school may give preference in enrollment to the children of the
14 charter school's founders, governing board members, and full-time employees, but
15 the total number of such children given preference may constitute no more than 10
16 percent of the charter school's total enrollment.

17 **SECTION 25.** 118.40 (3m) (title) and (a) (intro.) of the statutes are created to
18 read:

19 118.40 (3m) (title) AUTHORIZING ENTITY DUTIES. (a) (intro.) A school board or
20 entity under sub. (2r) (b) shall do all of the following:

21 **SECTION 26.** 118.40 (3m) (a) 1. and 4. to 6. of the statutes are created to read:

22 118.40 (3m) (a) 1. Solicit and evaluate charter school applications.

23 4. Approve only high-quality charter school applications that meet identified
24 educational needs and promote a diversity of educational choices.

1 5. In accordance with the terms of each charter school contract, monitor the
2 performance and compliance with this section of each charter school with which it
3 contracts.

4 6. Annually, submit to the state superintendent and to the legislature under
5 s. 13.172 (2) a report that includes all of the following:

6 a. An identification of each charter school operating under contract with it,
7 each charter school that operated under a contract with it but had its contract
8 nonrenewed or revoked or that closed, and each charter school under contract with
9 it that has not yet begun to operate.

10 b. The academic and financial performance of each charter school operated
11 under contract with it.

12 c. The operating costs of the school board or entity under sub. (2r) (b) incurred
13 under subds. 1. to 5., detailed in an audited financial statement prepared in
14 accordance with generally accepted accounting principles.

15 d. The services the school board or entity under sub. (2r) (b) has provided to the
16 charter schools under contract with it and an itemized accounting of the cost of the
17 services.

18 **SECTION 27.** 118.40 (3m) (b) of the statutes is created to read:

19 118.40 (3m) (b) An organization or consortium approved by the charter school
20 oversight board under sub. (2r) (bm) annually shall submit a report to the charter
21 school oversight board that includes all the information specified in par. (a) 6.

22 **SECTION 28.** 118.40 (4) (title) of the statutes is amended to read:

23 118.40 (4) (title) CHARTER SCHOOL GOVERNING BOARD; DUTIES, POWERS, AND
24 RESTRICTIONS.

1 **SECTION 29.** 118.40 (4) (a) of the statutes is renumbered 118.40 (4) (ar), and
2 118.40 (4) (ar) (intro.), as renumbered, is amended to read:

3 118.40 (4) (ar) *Duties.* (intro.) A charter school governing board shall do all of
4 the following:

5 **SECTION 30.** 118.40 (4) (ag) of the statutes is created to read:

6 118.40 (4) (ag) *Governing board.* Each charter school shall be governed by a
7 governing board that is a party to the contract with the authorizing entity. No more
8 than a minority of the governing board's members may be employees of the charter
9 school or employees or officers of the school district in which the charter school is
10 located.

11 **SECTION 31.** 118.40 (4) (b) (intro.) of the statutes is amended to read:

12 118.40 (4) (b) *Restrictions.* (intro.) A charter school governing board may not
13 do any of the following:

14 **SECTION 32.** 118.40 (4) (b) 2. of the statutes is amended to read:

15 118.40 (4) (b) 2. Except as provided in ~~par. (e) sub. (3) (h)~~, discriminate in
16 admission or deny participation in any program or activity on the basis of a person's
17 sex, race, religion, national origin, ancestry, pregnancy, marital or parental status,
18 sexual orientation or physical, mental, emotional or learning disability.

19 **SECTION 33.** 118.40 (4) (c) of the statutes is renumbered 118.40 (3) (h) and
20 amended to read:

21 118.40 (3) (h) ~~*Single-sex schools and courses.*~~ A school board ~~may enter into~~
22 ~~a contract for,~~ and an entity under sub. (2r) ~~may establish or enter into a contract for,~~
23 ~~the establishment of~~ establish a charter school that enrolls only one sex or that
24 provides one or more courses that enroll only one sex if the school board or entity
25 under sub. (2r) makes available to the opposite sex, under the same policies and

1 criteria of admission, schools or courses that are comparable to each such school or
2 course.

3 SECTION 34. 118.40 (4) (d) of the statutes is created to read:

4 118.40 (4) (d) *Powers*. Subject to the terms of its contract, a charter school
5 governing board has all the powers necessary to carry out the terms of its contract,
6 including the following:

7 1. To receive and disburse funds for school purposes.

8 2. To secure appropriate insurance.

9 3. To enter into contracts, including contracts with a University of Wisconsin
10 institution or college campus, technical college district board, or private college or
11 university, for technical or financial assistance, academic support, curriculum
12 review, or other services.

13 4. To incur debt in reasonable anticipation of the receipt of funds.

14 5. To pledge, assign, or encumber its assets to be used as collateral for loans or
15 extensions of credit.

16 6. To solicit and accept gifts or grants for school purposes.

17 7. To acquire real property for its use.

18 8. To sue and be sued in its own name.

19 SECTION 35. 118.40 (6) of the statutes is amended to read:

20 118.40 (6) PROGRAM VOLUNTARY. No Unless all of the public schools in a school
21 district have been converted to charter schools under sub. (2) (b) or (2m)(b), no pupil
22 may be required to attend a charter school without his or her approval, if the pupil
23 is an adult, or the approval of his or her ~~parents~~ parent or legal guardian, if the pupil
24 is a minor.

25 SECTION 36. 118.51 (1) (a) of the statutes is renumbered 118.51 (1) (ag).

1 **SECTION 37.** 118.51 (1) (ad) of the statutes is created to read:

2 118.51 (1) (ad) “Charter school” excludes a school under contract with an entity
3 under s. 118.40 (2r) (b).

4 **SECTION 38.** 227.01 (13) (sm) of the statutes is created to read:

5 227.01 (13) (sm) Is a standard or statement of policy adopted by the charter
6 school oversight board.

7 **SECTION 39.** 230.35 (1s) of the statutes is amended to read:

8 230.35 (1s) Annual leave of absence with pay for instructional staff employed
9 by the board of regents of the University of Wisconsin System who provide services
10 for a charter school established by contract under s. 118.40 (2r) (cm), 2011 stats.,
11 shall be determined by the governing board of the charter school established by
12 contract under s. 118.40 (2r) (cm), 2011 stats., as approved by the chancellor of the
13 University of Wisconsin–Parkside.

14 **SECTION 9134. Nonstatutory provisions; Public Instruction.**

15 (1) CHARTER SCHOOL OVERSIGHT BOARD. Notwithstanding section 15.375 (1) of the
16 statutes, as created by this act, the initial members appointed to the charter school
17 oversight board under section 15.375 (1) (a) of the statutes, as created by this act,
18 shall be appointed as follows:

19 (a) One member under section 15.375 (1) (a) 1. of the statutes, as created by this
20 act, shall be appointed for a term expiring on May 1, 2016, and one member shall be
21 appointed for a term expiring on May 1, 2017.

22 (b) One member under section 15.375 (1) (a) 2. a. of the statutes, as created by
23 this act, shall be appointed for a term expiring on May 1, 2015, and one member shall
24 be appointed for a term expiring on May 1, 2017.

2A

No
ff

although ^{an} ~~the~~ existing independent charter

school ^{authorization body} authorizer may continue to STET

operate ^a charter school itself

if the ~~charter~~ school is established

before the effective date of this bill

2B

(not)

The contract must also allow the charter school governing board to open additional charter schools if the charter school governed by the contract receives a rating from DPI of ∇ exceeds expectations ∇ or ∇ significantly, exceeds expectations ∇ . The bill makes this provision applicable to existing contracts with independent charter schools as well.

(4-8)

(No 9)

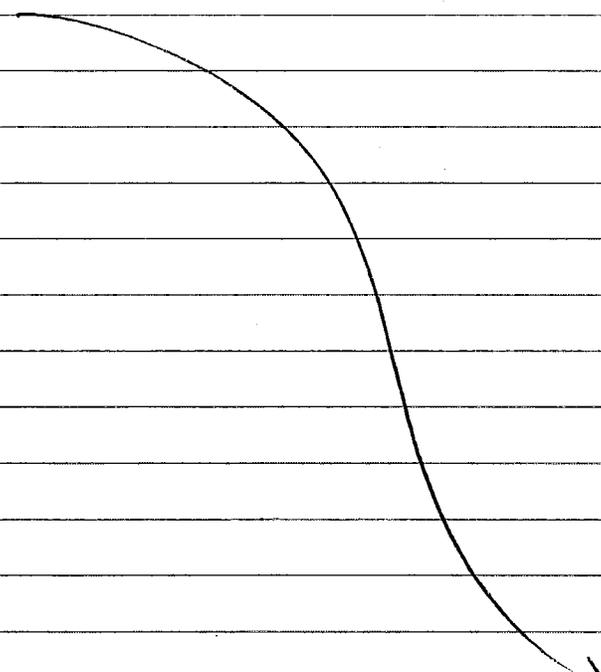
served on the governing board of a charter school established under s. 118.40(2v), have been employed by a charter school established under s. 118.40(2v), or have served on the governing body of an entity specified in s. 118.40(2v)(b) ~~to~~

11-12-1

SEC # CR: 118.40 (2r) (g)

ⓑ 118.40 (2r) (g) If a charter school established by contract with an entity under par. (b) 1. a. to d. is in operation on the effective date of this paragraph...

[LRB inserts date], and the charter school receives



11-12.2

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

~~11-12.1~~

the effective date of this paragraph... [LRB inserts date]

SEC. 118.40 (2v) (g)

118.40 (2v) (g) If an entity specified

person to operate a charter school

in par. (b) 1. a. to d. has contracted with a person to operate a charter school ~~by contract~~ before the

effective date of this paragraph... [LRB inserts date], the charter school is in operation and the charter school receives

a rating of "exceeds expectations" or

"significantly exceeds expectations" in the

most recent school report published by

the department under s. 115.385, the person

operating the charter school ~~operator~~ may open one or

more additional ^{charter} schools notwithstanding the

terms of the existing contract. All

provisions of the existing contract, other than

any provision that conflicts with this

11-12 : 2

paragraph, ^ apply to the new school or
schools unless the parties agree to amend
the ^{existing} contract or enter into a new
contract.

LPS: I typed this. You can find it in -1137/PADn for proofing. TX. WLS
Sara (i) (DN)

editor / typist: see 7.04 (b) (a),
DMW.
-1137/PADn

(a) The legislature may not pass a law "impairing the obligation of contracts" (article I, section 10, of the U.S. Constitution and article I, section 12, of the Wisconsin Constitution). Generally, an act, despite its effective date, may not deprive a party of a valuable right under a contract entered into before the effective date. See Estate of Nottingham, 46 Wis. 2d 580, 586-87 (1970), (I) and chapter 239, laws of 1971, section 39. The contract clause, however, is not absolute. The state may impair an existing contract in the exercise of its police powers for the general public welfare. See Energy Reserves Group, Inc. v. Kansas Power & Light Co., 459 U.S. 400, 103 S. Ct. 697, 704 (1983) and the legal section memo on the subject. (I) The Wisconsin Supreme Court has developed the following analysis to determine when the state may impair an existing contract for the general public welfare:

1. Does the legislation substantially impair an existing contract? A contract is impaired when the consideration agreed to by the parties is altered by subsequent legislation. If a contract has been impaired, a court will determine the degree of impairment and, consequently, the level of scrutiny by looking at such factors as the reasonableness of the parties' reliance on existing law, whether the subject matter of the contract has been subject to regulation in the past, whether the legislation nullifies an express term of the contract, and the potential cost to the parties of the impairment.
2. If the impairment is substantial, is there a significant and legitimate public purpose for the legislation? The legislation must be aimed at remedying a broad social or economic problem; special interest legislation will not justify impairing an existing contract.
3. Is the legislation a reasonable and necessary means of achieving that public purpose? Here a court will scrutinize whether the legislation is carefully and narrowly drafted so that there is a reasonable relationship between the public purpose and the means employed to achieve it.

* It's difficult, of course, to predict the outcome of any court case, but I thought you should be aware of this issue as it relates to two provisions in the draft: the creation of s. 118.40(2)(g) and the lack of an initial applicability provision (such as section 9334 (1)) for the creation of s. 118.40 (4) (ag). I think the former, is more problematic than the latter, because the intent ^{of contract impairment} is explicit. A court could easily read s. 118.40 (4) (ag) as inapplicable to existing contracts that conflict with it.

PG

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1137/P4dn
PG:wlj:rs

February 10, 2013

Sara:

The legislature may not pass a law “impairing the obligation of contracts” (article I, section 10, of the U.S. Constitution and article I, section 12, of the Wisconsin Constitution). Generally, an act, despite its effective date, may not deprive a party of a valuable right under a contract entered into before the effective date. See *Estate of Nottingham*, 46 Wis. 2d 580, 586–87 (1970), and chapter 239, laws of 1971, section 39. The contract clause, however, is not absolute. The state may impair an existing contract in the exercise of its police powers for the general public welfare. See *Energy Reserves Group, Inc. v. Kansas Power & Light Co.*, 459 U.S. 400, 103 S. Ct. 697, 704 (1983). The Wisconsin Supreme Court has developed the following analysis to determine when the state may impair an existing contract for the general public welfare:

1. Does the legislation substantially impair an existing contract? A contract is impaired when the consideration agreed to by the parties is altered by subsequent legislation. If a contract has been impaired, a court will determine the degree of impairment and, consequently, the level of scrutiny by looking at such factors as the reasonableness of the parties’ reliance on existing law, whether the subject matter of the contract has been subject to regulation in the past, whether the legislation nullifies an express term of the contract, and the potential cost to the parties of the impairment.
2. If the impairment is substantial, is there a significant and legitimate public purpose for the legislation? The legislation must be aimed at remedying a broad social or economic problem; special interest legislation will not justify impairing an existing contract.
3. Is the legislation a reasonable and necessary means of achieving that public purpose? Here a court will scrutinize whether the legislation is carefully and narrowly drafted so that there is a reasonable relationship between the public purpose and the means employed to achieve it.

It’s difficult, of course, to predict the outcome of any court case, but I thought you should be aware of this issue as it relates to two provisions in the draft: the creation of s. 118.40 (2r) (g) and the lack of an initial applicability provision (such as SECTION 9334 (1)) for the creation of s. 118.40 (4) (ag). I think the former is more problematic than the latter, because the contract impairment is explicit. A court could easily read s. 118.40 (4) (ag) as inapplicable to existing contracts that conflict with it.

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DOA:.....Hynek, BB0370 – Charter School Authorizing Board

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, a school board may enter into a contract with a person to establish a charter school, which operates with fewer constraints than traditional public schools. Current law also permits UW–Milwaukee, UW–Parkside, the Milwaukee Area Technical College, and the city of Milwaukee to operate charter schools (independent charter schools) directly or to contract for the operation of such charter schools. In general, only pupils who reside in the school district in which an independent charter school is located may attend the charter school.

This bill creates the Charter School Oversight Board (CSOB), attached to DPI, and authorizes it to approve nonprofit, nonsectarian organizations, or consortia of such organizations, to contract with persons to operate independent charter schools. The CSOB consists of the state superintendent of public instruction and ten other members. Of the latter members, two are appointed by the state superintendent, two are appointed by the governor, and six by the leaders in the senate and assembly. The bill prohibits the CSOB from promulgating administrative rules and provides that any policy or standard adopted by the CSOB is exempt from the rule-making process.

For any school established on or after the bill's effective date, the bill eliminates the authority of the entities specified above, and of any approved nonprofit

organization, to establish an independent charter school directly. Under the bill, a charter school may be established only by contract and must be operated by a charter school governing board, although an existing independent charter school authorizer may continue to operate a charter school itself if the school is established before the effective date of this bill. The bill removes the restrictions that limit who may attend an independent charter school.

A nonprofit, nonsectarian organization or consortium of such organizations that wishes to contract with a charter school governing board to operate a charter school must apply to the CSOB. The application must include a strategic plan for such contracting; a performance framework for use in supervising and evaluating charter schools; an assurance that the organization or consortium will ensure accountability and transparency on the part of the governing boards with which it contracts; a plan, including corrective action strategies, designed to improve a charter school, or close such a school, that fails to meet contractual performance standards; a description of the types of charter schools it is seeking to establish; information on its finances; and a plan for entering into additional contracts in order to replicate successful charter schools. The CSOB must approve or deny an application within 90 days.

The bill provides that the contract between an authorizing entity and the independent charter school's governing board must allow the former to charge the governing board a fee. The contract must also allow the charter school governing board to open additional charter schools if the charter school governed by the contract receives a rating from DPI of "exceeds expectations" or "significantly exceeds expectations." The bill makes this provision applicable to existing contracts with independent charter schools as well.

The bill allows a charter school contract to provide for more than one charter school, and allows a charter school governing board to enter into more than one contract. The bill allows a school board to prohibit a pupil who resides in the school district from attending an independent charter school unless the school district's enrollment is at least 4,000 and at least two schools in the school district were rated "fails to meet expectations" or "meets few expectations" in DPI's most recent school report.

Current law prohibits a school board from converting all of the public schools in the school district to charter schools unless the school board provides alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a charter school. In addition, a school board may not grant a petition to establish a charter school that would result in the conversion of all the public schools in the school district to charter schools unless at least 50 percent of the teachers employed by the school district sign the petition.

This bill eliminates the conditions on converting all of a school district's public schools to charter schools and explicitly permits a school board to do so.

Current law provides that no pupil may be required to attend a charter school without his or her approval, if the pupil is an adult, or the approval of his or her parents, if the pupil is a minor. This bill provides that this prohibition does not apply if all of a school district's public schools are converted to charter schools.

The bill requires that a charter school accept pupils at random if the capacity of the school is insufficient to accept all applicants. A charter school must, however, give preference in enrollment to pupils who were enrolled in the school in the previous school year and to siblings of pupils who are enrolled in the school. In addition, the bill allows a charter school to give preference in enrollment to children of the charter school's founders, governing board members, and full-time employees so long as the number of such children given preference constitutes no more than 10 percent of the school's enrollment.

The bill requires each charter school authorizer to submit an annual report to the legislature and DPI that includes the following:

1. An identification of each charter school under contract with it and each charter school that had its contract nonrenewed or revoked or that closed.
2. The academic and financial performance of each charter school.
3. Its operating costs, detailed in an audited financial statement.
4. The services it provided to the charter schools under contract with it.

The bill directs each nonprofit organization or consortium that has been approved by the CSOB to contract with a charter school operator annually to submit an identical report to the CSOB.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 15.07 (2) (c) of the statutes is created to read:

2 15.07 (2) (c) The chairperson of the charter school oversight board shall be
3 designated by the governor.

4 **SECTION 2.** 15.375 (1) of the statutes is created to read:

5 15.375 (1) CHARTER SCHOOL OVERSIGHT BOARD. (a) There is created a charter
6 school oversight board attached to the department of public instruction under s.
7 15.03. The board shall consist of the state superintendent of public instruction or his
8 or her designee and the following members appointed for 3-year terms:

9 1. Two members appointed by the governor, at least one of whom has served on
10 the governing board of a charter school established under s. 118.40 (2r), has been

1 employed by a charter school established under s. 118.40 (2r), or has served on the
2 governing body of an entity specified in s. 118.40 (2r) (b) 1.

3 2. a. Two members, who are not legislators, appointed by the senate majority
4 leader.

5 b. One member, who is not a legislator, appointed by the senate minority leader.

6 c. Two members, who are not legislators, appointed by the speaker of the
7 assembly.

8 d. One member, who is not a legislator, appointed by the assembly minority
9 leader.

10 3. Two members, appointed by the state superintendent of public instruction,
11 who in addition to the qualifications under par. (b) have served on the governing
12 board of a charter school established under s. 118.40 (2r), have been employed by a
13 charter school established under s. 118.40 (2r), or have served on the governing body
14 of an entity specified in s. 118.40 (2r) (b) 1.

15 (b) The appointing authorities under par. (a) shall ensure to the extent feasible
16 that members appointed to the board are geographically diverse and have experience
17 and expertise in governing public and nonprofit organizations; in management and
18 finance; in public school leadership, assessment, and curriculum and instruction;
19 and in education law; and understand and are committed to the use of charter schools
20 to strengthen public education.

21 (c) No member of the board appointed under par. (a) may serve more than 2
22 consecutive terms.

23 (d) The board does not have rule-making authority.

24 SECTION 3. 111.81 (7) (f) of the statutes is amended to read:

1 111.81 (7) (f) Instructional staff employed by the board of regents of the
2 University of Wisconsin System who provide services for a charter school established
3 by contract under s. 118.40 (2r) (cm), 2011 stats.

4 **SECTION 4.** 111.815 (1) of the statutes, as affected by 2011 Wisconsin Acts 10
5 and 32, is amended to read:

6 111.815 (1) In the furtherance of this subchapter, the state shall be considered
7 as a single employer and employment relations policies and practices throughout the
8 state service shall be as consistent as practicable. The office shall negotiate and
9 administer collective bargaining agreements. To coordinate the employer position
10 in the negotiation of agreements, the office shall maintain close liaison with the
11 legislature relative to the negotiation of agreements and the fiscal ramifications of
12 those agreements. Except with respect to the collective bargaining unit specified in
13 s. 111.825 (1r), and (1t), the office is responsible for the employer functions of the
14 executive branch under this subchapter, and shall coordinate its collective
15 bargaining activities with operating state agencies on matters of agency concern.
16 The legislative branch shall act upon those portions of tentative agreements
17 negotiated by the office that require legislative action. With respect to the collective
18 bargaining units specified in s. 111.825 (1r), the Board of Regents of the University
19 of Wisconsin System is responsible for the employer functions under this subchapter.
20 With respect to the collective bargaining units specified in s. 111.825 (1t), the
21 chancellor of the University of Wisconsin–Madison is responsible for the employer
22 functions under this subchapter. With respect to the collective bargaining unit
23 specified in s. 111.825 (1r) (ef), the governing board of the charter school established
24 by contract under s. 118.40 (2r) (cm), 2011 stats., is responsible for the employer
25 functions under this subchapter.

1 **SECTION 5.** 111.825 (1r) (ef) of the statutes, as affected by 2011 Wisconsin Act
2 32, is amended to read:

3 111.825 (1r) (ef) Instructional staff employed by the board of regents of the
4 University of Wisconsin System who provide services for a charter school established
5 by contract under s. 118.40 (2r) (cm), 2011 stats.

6 **SECTION 6.** 111.825 (2) (f) of the statutes is amended to read:

7 111.825 (2) (f) Instructional staff employed by the board of regents of the
8 University of Wisconsin System who provide services for a charter school established
9 by contract under s. 118.40 (2r) (cm), 2011 stats.

10 **SECTION 7.** 111.92 (1) (c) of the statutes is amended to read:

11 111.92 (1) (c) Any tentative agreement reached between the governing board
12 of the charter school established by contract under s. 118.40 (2r) (cm), 2011 stats.,
13 acting for the state, and any labor organization representing a collective bargaining
14 unit specified in s. 111.825 (1r) (ef) shall, after official ratification by the labor
15 organization and approval by the chancellor of the University of
16 Wisconsin–Parkside, be executed by the parties.

17 **SECTION 8.** 115.001 (1) of the statutes is amended to read:

18 115.001 (1) CHARTER SCHOOL. “Charter school” means a school under contract
19 with a school board under s. 118.40 or with ~~one of the entities~~ an entity under s.
20 118.40 (2r) (b) 1., or a school established and operated by ~~one of the entities~~ an entity
21 under s. 118.40 (2r) (b) 1. a. to d.

22 **SECTION 9.** 118.40 (2) (b) (intro.) of the statutes is renumbered 118.40 (2) (b) and
23 amended to read:

1 118.40 (2) (b) A school board may grant a petition that would result in the
2 conversion of all of the public schools in the school district to charter schools if all of
3 the following apply:

4 **SECTION 10.** 118.40 (2) (b) 1. and 2. of the statutes are repealed.

5 **SECTION 11.** 118.40 (2m) (b) of the statutes is amended to read:

6 118.40 (2m) (b) A school board may not enter into a contract under par. (a) that
7 would result in the conversion of all of the public schools in the school district to
8 charter schools unless the school board complies with sub. (2) (b) 2.

9 **SECTION 12.** 118.40 (2r) (b) 1. (intro.) of the statutes is amended to read:

10 118.40 (2r) (b) 1. (intro.) All Except as provided in subd. 3., any of the following
11 entities may establish by charter and operate a charter school or, on behalf of their
12 respective entities, may initiate a contract with an individual or group a person to
13 operate a school as a charter school:

14 **SECTION 13.** 118.40 (2r) (b) 1. e. of the statutes is created to read:

15 118.40 (2r) (b) 1. e. Any nonprofit, nonsectarian organization or consortium of
16 such organizations approved by the charter school oversight board under par. (bm).

17 **SECTION 14.** 118.40 (2r) (b) 2. of the statutes is renumbered 118.40 (2r) (b) 2.
18 (intro.) and amended to read:

19 118.40 (2r) (b) 2. (intro.) A charter shall include all of the provisions specified
20 under sub. (1m) (b) 3. to 14. A contract shall include all of the provisions specified
21 under sub. (1m) (b) 1. to 14. and shall specify the effect of the establishment of the
22 charter school on the liability of the contracting entity under this paragraph. The
23 contract shall also include all of the following provisions and may include other
24 provisions agreed to by the parties. ~~The chancellor of the University of~~
25 ~~Wisconsin-Milwaukee or of the University of Wisconsin-Parkside may not establish~~

1 ~~or enter into a contract for the establishment of a charter school under this~~
2 ~~paragraph without the approval of the board of regents of the University of~~
3 ~~Wisconsin System.;~~

4 **SECTION 15.** 118.40 (2r) (b) 2. a. to k. of the statutes are created to read:

5 118.40 (2r) (b) 2. a. A requirement that the charter school governing board
6 adhere to specified annual academic and operational performance standards
7 developed in accordance with the performance framework of the entity with which
8 it is contracting.

9 b. Provisions detailing the corrective measures the charter school governing
10 board will take if the charter school fails to meet performance standards.

11 c. A provision allowing the governing board of a charter school that receives a
12 rating of “exceeds expectations” or “significantly exceeds expectations” in the most
13 recent school report published by the department under s. 115.385 to open one or
14 more additional charter schools. If the charter school governing board opens one or
15 more additional charter schools, the existing contract applies to the new school or
16 schools unless the parties agree to amend the existing contract or enter into a new
17 contract.

***NOTE: Section 115.385 is created in 2013 LRB-1158.

18 d. The methodology that will be used by the charter school governing board to
19 monitor and verify pupil enrollment, credit accrual, and course completion.

20 e. A requirement that the entity under subd. 1. have direct access to pupil data.

21 f. A description of the administrative relationship between the parties to the
22 contract.

23 g. A requirement that the charter school governing board hold parent-teacher
24 conferences at least annually.

1 h. A requirement that if more than one charter school is operated under the
2 contract, the charter school governing board reports to the entity under subd. 1. on
3 each charter school separately.

4 i. A requirement that the charter school governing board provide the data
5 needed by the entity under subd. 1. for purposes of making the report required under
6 sub. (3m) (a) 6.

7 j. A requirement that the charter school governing board participate in any
8 training provided by the entity under subd. 1.

9 k. A description of all fees that the entity under subd. 1. will charge the charter
10 school governing board.

11 **SECTION 16.** 118.40 (2r) (b) 3. of the statutes is repealed and recreated to read:

12 118.40 (2r) (b) 3. If an entity specified in subd. 1. a. to d. was operating a charter
13 school itself immediately prior to the effective date of this subdivision [LRB
14 inserts date], it may continue to do so.

15 **SECTION 17.** 118.40 (2r) (bm) of the statutes is repealed and recreated to read:

16 118.40 (2r) (bm) 1. A nonprofit, nonsectarian organization or a consortium of
17 such organizations that wishes to contract with a charter school governing board to
18 operate a charter school shall submit an application to the charter school oversight
19 board. The application shall include all of the following and any other information
20 requested by the board:

21 a. A strategic plan for contracting with charter school governing boards that
22 submit high-quality proposals for charter schools that meet identified educational
23 needs and promote a diversity of educational choices.

24 b. A performance framework for use in supervising and evaluating charter
25 schools that addresses pupil academic proficiency, growth in pupil academic

1 achievement, gaps in achievement between groups of pupils, pupil attendance, the
2 readiness of pupils for postsecondary education, the financial proficiency and
3 sustainability of charter schools, and charter school management.

4 c. An assurance that the organization or consortium will ensure accountability
5 and transparency on the part of those charter school governing boards with which
6 it contracts.

7 d. A plan, including corrective action strategies, designed to improve a charter
8 school under contract with the organization or consortium, or to close such a charter
9 school, based on contractual performance standards.

10 e. A description of the types of charter schools the organization or consortium
11 is seeking to establish, and their potential attendance areas.

12 f. Information on the organization's or consortium's finances and other
13 resources necessary for the charter school oversight board to determine the
14 applicant's ability to perform its functions under this section.

15 g. A plan for entering into additional contracts in order to replicate successful
16 charter schools.

17 2. The charter school oversight board shall approve or deny an application
18 within 90 days of receiving the application.

19 **SECTION 18.** 118.40 (2r) (c) of the statutes is repealed and recreated to read:

20 118.40 (2r) (c) 1. An entity under par. (b) 1. may contract for the operation of
21 a charter school located anywhere in this state.

22 4. a. A school board may prohibit a pupil who resides in the school district from
23 attending a charter school established under this subsection unless the school
24 district's membership, as defined in s. 121.004 (5), is at least 4,000 and at least 2
25 public schools in the school district were rated "fails to meet expectations" or "meets

1 few expectations” in the most recent school report published by the department
2 under s. 115.385.

3 b. A pupil who wishes to attend a charter school established under this
4 subsection and who resides in a school district in which the school board may prohibit
5 pupils from attending a charter school established under this subsection shall
6 submit an application to the school board. Within 30 days of receiving the
7 application, the school board shall issue a decision allowing or prohibiting the pupil
8 from attending the charter school.

9 **SECTION 19.** 118.40 (2r) (cm) of the statutes is repealed.

10 **SECTION 20.** 118.40 (2r) (f) of the statutes is created to read:

11 118.40 (2r) (f) A charter school established under this subsection is a local
12 educational agency under 20 USC 6301 to 6578 and as such is eligible for funding as
13 a local educational agency, and shall comply with all requirements of local
14 educational agencies, under 20 USC 6301 to 6578.

15 **SECTION 21.** 118.40 (2r) (g) of the statutes is created to read:

16 118.40 (2r) (g) If a charter school established by contract with an entity under
17 par. (b) 1. a. to d. is in operation on the effective date of this paragraph [LRB inserts
18 date], and the charter school receives a rating of “exceeds expectations” or
19 “significantly exceeds expectations” in the most recent school report published by the
20 department under s. 115.385, the person operating the charter school may open one
21 or more additional charter schools notwithstanding the terms of the existing
22 contract. All provisions of the existing contract, other than any provision that
23 conflicts with this paragraph, apply to the new school or schools unless parties agree
24 to amend the existing contract or enter into a new contract.

1 **SECTION 22.** 118.40 (3) (d) of the statutes is renumbered 118.40 (3m) (a) 3. and
2 amended to read:

3 **118.40 (3m)** (a) 3. ~~A school board or an entity under sub. (2r) (b) shall give~~ Give
4 preference in awarding contracts for the operation of charter schools to those charter
5 schools that serve children at risk, as defined in s. 118.153 (1) (a).

6 **SECTION 23.** 118.40 (3) (e) of the statutes is renumbered 118.40 (3m) (a) 2. and
7 amended to read:

8 **118.40 (3m)** (a) 2. When ~~establishing or~~ contracting for the establishment of
9 a charter school under this section, ~~a school board or entity specified under sub. (2r)~~
10 ~~(b) shall consider~~ adhere to the principles and standards for quality charter schools
11 established by the National Association of Charter School Authorizers.

12 **SECTION 24.** 118.40 (3) (f) of the statutes is created to read:

13 **118.40 (3)** (f) A contract with a school board or an entity under sub. (2r) (b) may
14 provide for the establishment of more than one charter school, and a charter school
15 governing board may enter into more than one contract with a school board or entity
16 under sub. (2r) (b).

17 **SECTION 25.** 118.40 (3) (g) of the statutes is created to read:

18 **118.40 (3)** (g) 1. Except as provided in subs. 2. and 3. and sub. (4) (ar) 1., a
19 contract with a school board or an entity under sub. (2r) (b) shall require that if the
20 capacity of the charter school is insufficient to accept all pupils who apply, the charter
21 school shall accept pupils at random.

22 2. A charter school shall give preference in enrollment to pupils who were
23 enrolled in the charter school in the previous school year and to siblings of pupils who
24 are enrolled in the charter school.

1 3. A charter school may give preference in enrollment to the children of the
2 charter school's founders, governing board members, and full-time employees, but
3 the total number of such children given preference may constitute no more than 10
4 percent of the charter school's total enrollment.

5 **SECTION 26.** 118.40 (3m) (title) and (a) (intro.) of the statutes are created to
6 read:

7 118.40 **(3m)** (title) AUTHORIZING ENTITY DUTIES. (a) (intro.) A school board or
8 entity under sub. (2r) (b) shall do all of the following:

9 **SECTION 27.** 118.40 (3m) (a) 1. and 4. to 6. of the statutes are created to read:

10 118.40 **(3m)** (a) 1. Solicit and evaluate charter school applications.

11 4. Approve only high-quality charter school applications that meet identified
12 educational needs and promote a diversity of educational choices.

13 5. In accordance with the terms of each charter school contract, monitor the
14 performance and compliance with this section of each charter school with which it
15 contracts.

16 6. Annually, submit to the state superintendent and to the legislature under
17 s. 13.172 (2) a report that includes all of the following:

18 a. An identification of each charter school operating under contract with it,
19 each charter school that operated under a contract with it but had its contract
20 nonrenewed or revoked or that closed, and each charter school under contract with
21 it that has not yet begun to operate.

22 b. The academic and financial performance of each charter school operated
23 under contract with it.

1 c. The operating costs of the school board or entity under sub. (2r) (b) incurred
2 under subds. 1. to 5., detailed in an audited financial statement prepared in
3 accordance with generally accepted accounting principles.

4 d. The services the school board or entity under sub. (2r) (b) has provided to the
5 charter schools under contract with it and an itemized accounting of the cost of the
6 services.

7 **SECTION 28.** 118.40 (3m) (b) of the statutes is created to read:

8 118.40 (3m) (b) An organization or consortium approved by the charter school
9 oversight board under sub. (2r) (bm) annually shall submit a report to the charter
10 school oversight board that includes all the information specified in par. (a) 6.

11 **SECTION 29.** 118.40 (4) (title) of the statutes is amended to read:

12 118.40 (4) (title) CHARTER SCHOOL GOVERNING BOARD; DUTIES, POWERS, AND
13 RESTRICTIONS.

14 **SECTION 30.** 118.40 (4) (a) of the statutes is renumbered 118.40 (4) (ar), and
15 118.40 (4) (ar) (intro.), as renumbered, is amended to read:

16 118.40 (4) (ar) *Duties.* (intro.) A charter school governing board shall do all of
17 the following:

18 **SECTION 31.** 118.40 (4) (ag) of the statutes is created to read:

19 118.40 (4) (ag) *Governing board.* Each charter school shall be governed by a
20 governing board that is a party to the contract with the authorizing entity. No more
21 than a minority of the governing board's members may be employees of the charter
22 school or employees or officers of the school district in which the charter school is
23 located.

24 **SECTION 32.** 118.40 (4) (b) (intro.) of the statutes is amended to read:

1 118.40 (4) (b) *Restrictions*. (intro.) A charter school governing board may not
2 do any of the following:

3 **SECTION 33.** 118.40 (4) (b) 2. of the statutes is amended to read:

4 118.40 (4) (b) 2. Except as provided in ~~par. (e)~~ sub. (3) (h), discriminate in
5 admission or deny participation in any program or activity on the basis of a person's
6 sex, race, religion, national origin, ancestry, pregnancy, marital or parental status,
7 sexual orientation or physical, mental, emotional or learning disability.

8 **SECTION 34.** 118.40 (4) (c) of the statutes is renumbered 118.40 (3) (h) and
9 amended to read:

10 118.40 (3) (h) ~~*Single-sex schools and courses*~~. A school board may enter into
11 a contract for, and an entity under sub. (2r) may establish or enter into a contract for,
12 ~~the establishment of~~ establish a charter school that enrolls only one sex or that
13 provides one or more courses that enroll only one sex if the school board or entity
14 under sub. (2r) makes available to the opposite sex, under the same policies and
15 criteria of admission, schools or courses that are comparable to each such school or
16 course.

17 **SECTION 35.** 118.40 (4) (d) of the statutes is created to read:

18 118.40 (4) (d) *Powers*. Subject to the terms of its contract, a charter school
19 governing board has all the powers necessary to carry out the terms of its contract,
20 including the following:

21 1. To receive and disburse funds for school purposes.

22 2. To secure appropriate insurance.

23 3. To enter into contracts, including contracts with a University of Wisconsin
24 institution or college campus, technical college district board, or private college or

1 university, for technical or financial assistance, academic support, curriculum
2 review, or other services.

3 4. To incur debt in reasonable anticipation of the receipt of funds.

4 5. To pledge, assign, or encumber its assets to be used as collateral for loans or
5 extensions of credit.

6 6. To solicit and accept gifts or grants for school purposes.

7 7. To acquire real property for its use.

8 8. To sue and be sued in its own name.

9 **SECTION 36.** 118.40 (6) of the statutes is amended to read:

10 118.40 (6) PROGRAM VOLUNTARY. ~~No~~ Unless all of the public schools in a school
11 district have been converted to charter schools under sub. (2) (b) or (2m) (b), no pupil
12 may be required to attend a charter school without his or her approval, if the pupil
13 is an adult, or the approval of his or her ~~parents~~ parent or legal guardian, if the pupil
14 is a minor.

15 **SECTION 37.** 118.51 (1) (a) of the statutes is renumbered 118.51 (1) (ag).

16 **SECTION 38.** 118.51 (1) (ad) of the statutes is created to read:

17 118.51 (1) (ad) “Charter school” excludes a school under contract with an entity
18 under s. 118.40 (2r) (b).

19 **SECTION 39.** 227.01 (13) (sm) of the statutes is created to read:

20 227.01 (13) (sm) Is a standard or statement of policy adopted by the charter
21 school oversight board.

22 **SECTION 40.** 230.35 (1s) of the statutes is amended to read:

23 230.35 (1s) Annual leave of absence with pay for instructional staff employed
24 by the board of regents of the University of Wisconsin System who provide services
25 for a charter school established by contract under s. 118.40 (2r) (cm), 2011 stats.,

1 shall be determined by the governing board of the charter school established by
2 contract under s. 118.40 (2r) (cm), 2011 stats., as approved by the chancellor of the
3 University of Wisconsin–Parkside.

4 **SECTION 9134. Nonstatutory provisions; Public Instruction.**

5 (1) CHARTER SCHOOL OVERSIGHT BOARD. Notwithstanding section 15.375 (1) of the
6 statutes, as created by this act, the initial members appointed to the charter school
7 oversight board under section 15.375 (1) (a) of the statutes, as created by this act,
8 shall be appointed as follows:

9 (a) One member under section 15.375 (1) (a) 1. of the statutes, as created by this
10 act, shall be appointed for a term expiring on May 1, 2016, and one member shall be
11 appointed for a term expiring on May 1, 2017.

12 (b) One member under section 15.375 (1) (a) 2. a. of the statutes, as created by
13 this act, shall be appointed for a term expiring on May 1, 2015, and one member shall
14 be appointed for a term expiring on May 1, 2017.

15 (c) The member under section 15.375 (1) (a) 2. b. of the statutes, as created by
16 this act, shall be appointed for a term expiring on May 1, 2016.

17 (d) One member under section 15.375 (1) (a) 2. c. of the statutes, as created by
18 this act, shall be appointed for a term expiring on May 1, 2015, and one member shall
19 be appointed for a term expiring on May 1, 2017.

20 (e) The member under section 15.375 (1) (a) 2. d. of the statutes, as created by
21 this act, shall be appointed for a term expiring on May 1, 2018.

22 (f) One member under section 15.375 (1) (a) 3. of the statutes, as created by this
23 act, shall be appointed for a term expiring on May 1, 2016, and one member shall be
24 appointed for a term expiring on May 1, 2018.

25 **SECTION 9334. Initial applicability; Public Instruction.**

