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LRB-4078/1 TKK:jld:jf

2009 ASSEMBLY BILL 772

February 24, 2010 – Introduced by Representative Kessler. Referred to Committee on Rules.

AN ACT to repeal 119.23 (7) (am) 2.; to renumber and amend 62.51 (2), 118.51 (5) (a) 4., 118.51 (5) (a) 6., 118.51 (6) and 118.51 (12) (a); to consolidate, renumber and amend 119.23 (7) (am) (intro.) and 1.; to amend 62.51 (1) (a), 115.881 (1) and 121.84 (4) (b); and to create 62.51 (2) (b), 118.51 (5) (a) 4. b., 118.51 (5) (a) 6. b., 118.51 (12) (a) 2. and 119.03 of the statutes; relating to: creating an Office of School Standards and Licensure in the city of Milwaukee and requiring all public schools and certain private schools in the city of Milwaukee to obtain a license in order to operate.

Analysis by the Legislative Reference Bureau City of Milwaukee Office of School Standards and Licensure

This bill establishes an Office of School Standards and Licensure (office) in the city of Milwaukee (city) headed by a person appointed by the mayor to serve at his or her pleasure. Under the bill, no school may be operated in the city unless an operating license has been issued for the school by the office. The bill defines "school" as a public school operated by the Board of School Directors of Milwaukee Public Schools (board or MPS), a charter school operating in the city, and a private school participating in the Milwaukee Parental Choice Program (MPCP).

Under the bill, the board, the governing body of each private school participating in the MPCP, and the operator of each charter school located in the city

must apply to the office for an operating license. The bill establishes two classes of operating licenses that must be obtained from the office in the following order:

- 1. A provisional operating license. A provisional operating license may not be renewed.
 - 2. A permanent operating license. A permanent license may be renewed.

Each operating license issued by the office, including a renewal of a permanent operating license, expires on the third July 1 following the date on which the license was issued.

Provisional operating licenses:

To obtain a provisional operating license, the applicant must submit a timely application and application fee to the office and demonstrate that it satisfies all of the following:

- 1. It has established a budget development and approval process and a system of fiscal management that meets standards established by the office.
- 2. It will operate the school in a building that meets the safety standards established by the office by rule.
- 3. It has developed a curriculum that meets standards of educational success established by the office by rule.
- 4. It has employees that meet standards of excellence established by the office by rule.

Permanent operating licenses:

To obtain a permanent operating license, the applicant must submit a timely application and application fee to the office and demonstrate that it satisfies all of the following:

- 1. It holds a valid provisional operating license and continues to satisfy all of the requirements for the provisional operating license.
- 2. At least 90 percent of the pupils who have attended the school for more than one school year have advanced at least one grade level for every year of enrollment.
- 3. It has implemented a policy governing the admission to the school of children with disabilities.
- 4. It enrolls at least the number of children with disabilities at the school as is required under the formula established in the bill. The formula takes into account the number of pupils enrolled in the school in each grade, the number of pupils enrolled in all schools licensed under the bill in each grade, and the number of children with disabilities enrolled in all schools licensed under the bill in each grade.

Duties of office:

The bill requires the office to do all of the following:

- 1. Make rules governing the implementation of the inspection and licensure program, including standards for budgeting and fiscal management of the school and the educational success of pupils enrolled in the school.
 - 2. Upon receipt of an application for an operating license do all of the following:
- a. Notify the state superintendent, the city common council, and the city mayor and make information provided by the applicant available for public inspection.
 - b. Inspect the school and records maintained by the applicant for the school.

- c. Hold a public hearing on the application and provide an opportunity for public testimony.
- d. Submit a written decision to the applicant and provide a copy to the state superintendent, common council, and mayor.
- 3. Revoke, suspend, or deny an applicant's operating license if, after 60 days, the applicant has not corrected a severe or substantial violation of the standards upon which an operating license is issued.
- 4. Conduct scheduled and unscheduled inspections of each school for which an operating license may be or has been issued.
- 5. Annually submit a comprehensive written report detailing the policies, operations, revenues, and expenditures of the office and summarizing the licensing decisions of the office to the governor, the appropriate standing committees of the legislature, the state superintendent, the city common council, and the mayor of the city.

Changes to Full-time Open Enrollment Program

Under the Open Enrollment Program, a pupil may apply to attend a school in a school district other than the pupil's resident school district. Current law establishes permissible criteria for a nonresident school district to accept or reject applications from nonresident pupils, including the availability of space, classes, and programs in the nonresident district. Current law also permits a nonresident school district to determine whether to accept or reject a nonresident pupil based upon whether the special education and related services needs described in the individualized education program of a nonresident pupil who is a child with a disability are available for the pupil in the nonresident school district and also whether the nonresident pupil has been referred for evaluation but not yet evaluated by an individualized education program team to determine whether the child has a disability.

The bill eliminates the two criteria related to the special educational needs of children with disabilities from the list of permissible criteria for the acceptance or rejection of a nonresident pupil whose resident school district is MPS. The bill also requires MPS to limit the number of its resident pupils attending public school in other school districts under the Open Enrollment Program to the number of resident pupils attending public school in other school districts in the 2009–10 school year.

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:

SECTION 1. 62.51 (1) (a) of the statutes is amended to read:

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- 2 62.51 (1) (a) "Public office" means the following positions or their equivalent:
 - city engineer; city purchasing agent; commissioner of building inspection, of city

development, of health or of public works; director of administration, of budget and management, of community development agency, of employee relations, of office of school standards and licensure, of telecommunications, or of safety; emergency management coordinator; employee benefits administrator; executive director of the commission on community relations; municipal port director; commissioner of assessments; director of liaison; city personnel director; executive director of the retirement board; executive director of the city board of election commissioners; city librarian; city labor negotiator; executive secretary of the board of fire and police commissioners; and supervisor of the central electronics board.

SECTION 2. 62.51 (2) of the statutes is renumbered 62.51 (2) (a) and amended to read:

62.51 (2) (a) In any 1st class city, the mayor shall appoint, subject to confirmation of the common council, a person to serve in the unclassified service in each public office. A public official serves at the pleasure of the mayor until the end of the mayoral term of office during which the public official is appointed unless reappointed and reconfirmed or until a successor is appointed and confirmed, whichever is later. The mayor shall make appointments under this subsection paragraph within 90 days after taking office or within 90 days after a vacancy in the public office occurs, whichever is later. The common council shall vote on confirmation of any appointment under this subsection paragraph within 45 days after that appointment.

Section 3. 62.51 (2) (b) of the statutes is created to read:

62.51 **(2)** (b) Notwithstanding par. (a), the person appointed to serve in the unclassified service in the office of school standards and licensure shall be appointed by the mayor without confirmation of the common council.

Section 4. 115.881 (1) of the statutes is amended to read:

agency, county children with disabilities education board, governing body of a private school that holds an operating license issued under s. 119.03, or operator of a charter school established under s. 118.40 (2r) may apply to the department for aid under this section if the applicant incurred, in the previous school year, more than \$30,000 of nonadministrative costs for providing special education and related services to a child and those costs were not eligible for reimbursement under s. 115.88, 115.93, or 118.255, 20 USC 1400 et seq., or federal medicaid.

SECTION 5. 118.51 (5) (a) 4. of the statutes is renumbered 118.51 (5) (a) 4. a. and amended to read:

118.51 **(5)** (a) 4. a. Whether Except as provided in subd. 4. b., whether the special education or related services described in the child's individualized education program, under s. 115.787 (2), of an applicant who is a child with a disability are available in the nonresident school district or whether there is space available to provide the special education or related services identified in the child's individualized education program, including any class size limits, pupil–teacher ratios or enrollment projections established by the nonresident school board.

SECTION 6. 118.51 (5) (a) 4. b. of the statutes is created to read:

118.51 **(5)** (a) 4. b. A nonresident school board may not consider the criteria under subd. 4. a. if the application to the nonresident school district is received from a pupil who is a child with a disability and whose resident school district is the school district operating under ch. 119.

SECTION 7. 118.51 (5) (a) 6. of the statutes is renumbered 118.51 (5) (a) 6. a. and amended to read:

118.51 **(5)** (a) 6. a. Whether Except as provided in subd. 6. b., whether the child pupil has been referred to his or her resident school board under s. 115.777 (1) or identified by his or her resident school board under s. 115.77 (1m) (a) but not yet evaluated by an individualized education program team appointed by his or her resident school board under s. 115.78 (1).

SECTION 8. 118.51 (5) (a) 6. b. of the statutes is created to read:

118.51 **(5)** (a) 6. b. A nonresident school board may not consider the criteria under subd. 6. a. if the application to the nonresident school district is received from a pupil whose resident school district is the school district operating under ch. 119.

SECTION 9. 118.51 (6) of the statutes is renumbered 118.51 (6) (a) and amended to read:

118.51 **(6)** (a) A school board may Beginning in the 2010–11 school year, the school district operating under ch. 119 shall limit the number of its resident pupils attending public school in other school districts under this section in the 1998–99 school year to 3% of its membership. In each of the 7 succeeding school years, a school board may limit to the number of its resident pupils attending public school in other school districts to an additional 1% of its membership under this section in the 2009–10 school year.

(b) If more than the maximum allowable number of resident pupils apply to attend public school in other school districts in any school year under this section, the school board of school directors shall determine which pupils will be allowed to attend public school in other school districts on a random basis, except that the school board of school directors shall give preference to pupils who are already attending public school in the school district to which they are applying under this section and to siblings of such pupils.

SECTION 10. 118.51 (12) (a) of the statutes is renumbered 118.51 (12) (a) 1. and amended to read:

education program for a pupil, developed or revised under s. 115.787 after -a-child the pupil begins attending public school in a nonresident school district under this section, requires special education or related services that are not available in the nonresident school district or if there is no space available to provide the special education or related services identified in the child's pupil's individualized education program, including any class size limits, pupil-teacher ratios or enrollment projections established by the nonresident school board, the nonresident school board may notify the child's pupil's parent and the child's pupil's resident school board that the special education or related service is not available in the nonresident school district. If such notice is provided, the child pupil shall be transferred to his or her resident school district, which shall provide an educational placement for the child pupil under s. 115.79 (1) (b).

SECTION 11. 118.51 (12) (a) 2. of the statutes is created to read:

118.51 **(12)** (a) 2. Subdivision 1. does not apply to a pupil attending school in a nonresident school district whose resident school district is the school district operating under ch. 119.

SECTION 12. 119.03 of the statutes is created to read:

119.03 Office of school standards and licensure. (1) Definitions. In this section:

- (a) "Administrator" means all of the following:
- 1. The superintendent of schools.

apply:

1	2. The superintendent, supervising principal, executive director, or other
2	person who acts as the administrative head of any school required to be licensed
3	under this section.
4	(b) "Applicant" means any of the following:
5	1. The board.
6	2. The operator of a charter school operating in the city.
7	3. The governing body of a private school participating in the program under
8	s. 119.23.
9	(c) "Child with a disability" has the meaning given in s. 115.76 (5).
10	(d) "Director" means the director of the office.
11	(e) "Office" means the office of school standards and licensure.
12	(f) "School" means a public school operated by the board, a charter school
13	operating in the city, and a private school participating in the program under s.
14	119.23.
15	(2) Operating license required; classes and renewal of operating licenses.
16	(a) Beginning in the 2011–12 school year, no person may operate a school without
17	a valid operating license issued by the office for that school.
18	(b) The office may issue the following licenses:
19	1. A provisional operating license. A provisional operating license may not be
20	renewed.
21	2. A permanent operating license. A permanent operating license may be
22	renewed as provided under sub. (5).
23	(3) Provisional operating licenses. (a) The office shall issue a provisional
24	operating license to operate a school if the office determines that all of the following
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- 1. The applicant submits an application for a provisional operating license for the school to the office, together with the information required under par. (b) and any supporting documentation required by the office and the administrative fee required under sub. (7).
 - 2. The applicant satisfies the requirements under par. (b).
- 3. If the applicant operated a school during the 2009–10 school year, the applicant submits the application to the office no later than the first day of the 13th month beginning after the effective date of this subdivision [LRB inserts date].
- 4. If the applicant did not operate a school during the 2009–10 school year, the applicant submits the application to the office at least 180 days before the applicant intends to operate the school.
- (b) An applicant under this subsection shall submit clear and convincing evidence to the office that all of the following are satisfied:
- 1. The applicant has established a budget development and approval process, a system of fiscal management, an organizational structure, a management system, and a process for receiving, depositing, investing, managing, spending, accounting for, and auditing resources for the school that meets the standards established by the office by rule.
- 2. The applicant will operate the school in a building that meets the safety standards established by the office by rule and will utilize facilities and equipment, including vehicles, that meet the safety standards established by the office by rule.
- 3. The applicant has developed a curriculum that meets the standards of educational success established by the office by rule.

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- 4. a. For an applicant under par. (a) 3., the applicant has selected and employs administrators, teachers, and staff for the school that meet the standards of excellence established by the office by rule.
- b. For an applicant under par. (a) 4., the applicant has selected and will employ administrators, teachers, and staff for the school that meet the standards of excellence established by the office by rule.
- (c) A provisional operating license issued under this subsection expires on the 3rd July 1 following the date on which the license was issued or on the date on which a permanent operating license is issued for the school under sub. (4), whichever occurs first.
- **(4)** Permanent operating license. The office shall issue a permanent operating license to operate a school if the office determines that all of the following apply:
- (a) The applicant holds a valid provisional operating license for the school and one of the following applies:
- 1. For a provisional operating license issued to an applicant who operated a school during the 2009–10 school year, the applicant has been operating the school under the license for at least 12 months but not more than 36 months.
- 2. For a provisional operating license issued to an applicant who did not operate a school in the 2009–10 school year, the applicant has been operating the school under the license for at least 24 months but not more than 36 months.
- (b) The applicant submits an application for a permanent operating license for the school to the office, together with the information required under par. (c) and any supporting documentation required by the office and the administrative fee required under sub. (7).

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1	(c) The applicant submits clear and convincing evidence to the office that all
2	of the following are satisfied:
3	1. a. Except as provided in subd. 1. b., the applicant continues to satisfy the
4	requirements under sub. (3) (b).
5	b. For an applicant that did not operate a school in the 2009–10 school year, the
6	applicant continues to satisfy the requirements under sub. (3) (b) 1. to 3. and satisfies
7	the requirements under sub. (3) (b) 4. a.
8	2. At least 90 percent of the pupils who have attended the school for more than
9	one school year have advanced at least one grade level for every year of the pupil's
10	enrollment in the school. To determine whether the requirement under this
11	subdivision has been satisfied, the office shall review the educational performance
12	of the pupils on the examinations administered as required under s. 118.30 and on
13	other measures established by the office by rule.
14	3. The applicant has implemented a policy governing the admission to the
15	school of children with disabilities that satisfies the standards established by the
16	office by rule.
17	4. The applicant enrolls at least the number of children with disabilities
18	determined as follows:
19	a. Determine the number of pupils enrolled in the school in each grade in the
20	previous school year.
21	b. Determine the number of pupils enrolled in all schools licensed under this
22	section in each grade in the previous school year.

c. For each grade in all schools licensed under this section, determine the

number of pupils identified in subd. 4. b. that are children with disabilities.

- d. For each grade operated by the school, multiply the number of pupils identified in subd. 4. a. by the ratio of the number of pupils in that grade identified under subd. 4. c. to the number of pupils in that grade identified under subd. 4. b.
- e. Add the numbers of pupils determined under subd. 4. d. in each grade operated by the school.
 - f. Multiply the sum determined under subd. 4. e. by 50 percent.
- (d) A permanent operating license issued under this subsection expires on the 3rd July 1 following the date on which the license was issued or on the date on which a renewal of that license is issued under sub. (5), whichever comes first.
- **(5)** RENEWAL; NOTICE. (a) The office shall renew a permanent operating license issued under sub. (4) if the office determines that all of the following apply:
- 1. The applicant submits an application for a renewal of the permanent operating license, together with any supporting documentation required by the office and the administrative fee required under sub. (7) to the office no later than 180 days before the expiration of the operating license.
 - 2. The applicant continues to satisfy the requirements under sub. (4) (c).
- (b) A renewal of a permanent operating license issued under this subsection expires on the 3rd July 1 following the date on which the renewal license was issued.
- (c) The office shall give a notice of renewal to each holder of a permanent operating license at least 30 days prior to the expiration date of the operating license. Notice may be mailed to the last address provided to the office by the holder of the operating license or may be given by electronic transmission. Failure to receive a notice of renewal is not a defense in any proceeding against the holder for operating a school without an operating license.

- **(6)** EFFECT OF DENIAL, SUSPENSION, REVOCATION, OR NONRENEWAL OF AN OPERATING LICENSE. (a) An applicant whose application for an operating license for a school or whose application for renewal of a permanent operating license for a school is denied may reapply to the office for a provisional operating license under sub. (3).
- (b) If any operating license held by an applicant has expired before the applicant has obtained a permanent operating license or the renewal of that license, the applicant may not operate the school until the applicant has obtained an operating license for the school.
- (c) An applicant whose operating license has been denied, suspended, revoked, or has not been renewed shall work with the office, the board, and the department to provide for the temporary or permanent transfer of pupils to other schools that hold a valid license issued by the office or to schools not required to be licensed under this section.
- (7) Administrative fee. The office shall charge a fee, to be determined by the office by rule, to each applicant for an operating license for a school or the renewal of an operating license for a school. The fee shall be based upon the costs to provide the review and conduct the inspections required under sub. (8) (a), conduct the inspections required under sub. (8) (e) and (f), and administer the program under this section, and shall take into account the number of pupils enrolled in the school in the preceding school year.
 - **(8)** Duties of the office. The office shall do all of the following:
 - (a) Upon receipt of an application under subs. (3) to (5):
- 1. Submit a written notice of the application to the state superintendent, the common council, the mayor, and, if the applicant is operating the school at the time

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- the application is received, parents of pupils enrolled in the school. The office shall publish the written notice as a class 1 notice under ch. 985.
 - 2. Provide access to information submitted by the applicant in connection with the application for licensure on the Internet Web site maintained by the office and, upon request of a party, in writing.
 - 3. Request an evaluation by the city comptroller of the applicant's compliance with or likelihood of compliance with the financial and budgetary standards established by rule under par. (d) 1.
 - 4. Undertake any inspections of the school premises and of records maintained by the applicant for the school necessary to evaluate the application for licensure.
 - 5. Hold a public hearing on the application for an operating license and provide an opportunity for persons attending the hearing to present testimony on the applicant, the school, and the application for licensure.
 - 6. Submit to the applicant, in writing, the decision of the office to grant or deny the operating license. The office shall provide a copy of the decision to the state superintendent, the common council, and the mayor, and shall make the written decision available on the Internet Web site maintained by the office and, upon request, in writing.
 - (b) Ensure that each applicant that applies for and holds an initial or renewed permanent operating license enrolls in the school at least the number of children with disabilities determined for the school under sub. (4) (c) 4.
 - (c) Suspend, revoke, or deny an applicant's operating license for a school if the office determines, based upon clear and convincing evidence, that the applicant has committed a severe or substantial violation of the standards upon which an

- operating license is issued and the applicant fails to correct the violation or make substantial progress towards correcting the violation in 60 days.
 - (d) Promulgate rules for the administration of the inspection and licensure program under this section, including all of the following:
 - 1. Standards for a budget development and approval process, a system of fiscal management, an organizational structure, a management system, and a process for receiving, depositing, investing, managing, spending, accounting for, and auditing resources to be implemented and maintained by an applicant seeking an operating license under this section. The office shall collaborate with the city comptroller to establish the standards required under this subdivision.
 - 2. Standards of educational success to be incorporated into the curriculum of an applicant's school.
 - 3. Standards of excellence for teachers, administrators, and staff at the school. The office shall collaborate with the deans and faculty of education at the University of Wisconsin–Milwaukee, Marquette University, and Alverno College, and with other educational experts to establish the standards required under this subdivision. The standards under this subdivision shall require each administrator to hold, at minimum, a bachelor's degree.
 - 4. Educational performance measures applicable to whether a pupil has advanced to the next grade level.
 - 5. Standards governing the admission of children with disabilities to a school licensed under this section. The standards shall prohibit an applicant from refusing to enroll a child with a disability or to provide a free appropriate public education, as defined in s. 115.76 (7), for the child with a disability.

6. Conditions under which an operating license issued under this section may
be suspended or revoked, the duration of a suspension or revocation, and the
conditions that must be satisfied by an applicant for the reinstatement of the
operating license.
7. A definition of a substantial violation of the standards upon which an
operating license is issued.
8. A definition of a severe violation of the standards upon which an operating
license is issued.
(e) Establish a schedule for the inspection of each school for which an operating
license may be or has been issued under this section.
(f) Periodically conduct unscheduled inspections of each school for which an
operating license has been issued under this section. The office may establish
criteria governing the rationale for conducting an unscheduled inspection.
(g) Annually submit a comprehensive written report detailing the policies,
operations, revenues, and expenses of the office and summarizing the licensing
decisions of the office to all of the following:
1. The governor.
2. The appropriate standing committees of the legislature.
3. The state superintendent.
4. The common council.
5. The mayor.
SECTION 13. 119.23 (7) (am) (intro.) and 1. of the statutes are consolidated,

119.23 (7) (am) Each private school participating in the program under this

section is subject to uniform financial accounting standards established by the

renumbered 119.23 (7) (am) and amended to read:

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department. Annually by September 1 following a school year in which a private school participated in the program under this section, the private school shall submit to the department all of the following: 1. An an independent financial audit of the private school conducted by a certified public accountant, accompanied by the auditor's statement that the report is free of material misstatements and fairly presents pupil costs under sub. (4) (b) 1. The audit under this subdivision shall be limited in scope to those records that are necessary for the department to make payments under subs. (4) and (4m).

SECTION 14. 119.23 (7) (am) 2. of the statutes is repealed.

SECTION 15. 121.84 (4) (b) of the statutes is amended to read:

121.84 **(4)** (b) If a pupil attends school in a school district outside the pupil's school district of residence under par. (a), s. 118.51 (12), (14), (16) and (17) apply to the pupil as if the pupil were attending school in a nonresident school district under s. 118.51. If the pupil is rejected as a result of s. 118.51 (12) (a), prohibited from attending as a result of s. 118.51 (12) (b) 1. or transferred as a result of s. 118.51 (12) (b) 2., s. 118.51 (9) applies.

17 (END)