

RW:ksm

12/11/2006

AN ACT *to amend* 118.40 (2r) of the statutes; **relating to:** permitting additional entities to establish charter schools.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: This preliminary bill draft was prepared for the Joint Legislative Council’s Special Committee on Charter Schools.

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

118.40 (2r) OTHER INITIATIVES. (a) In this subsection, “instructional staff” has the meaning given in the rules promulgated by the department under s. 121.02 (1) (a) 2.

(b) 1. All of the following entities may establish by charter and operate a charter school or, on behalf of their respective entities, may initiate a contract with an individual or group to operate a school as a charter school:

- a. The common council of the city of Milwaukee.
- b. The chancellor of the University of Wisconsin–Milwaukee.
- c. On a pilot basis, the chancellor of the University of Wisconsin–Parkside.
- d. The Milwaukee area technical college district board.
- e. The chancellor of any University of Wisconsin university other than those specified in subd. par. b. or c.

COMMENT: This would authorize the chancellor of any baccalaureate or graduate degree granting institution in the University of Wisconsin (UW) System (other than UW–Milwaukee and UW–Parkside, which may already do so) to establish a charter school. There are currently 13 such units. Depending on the decisions of the special committee, it may be necessary to revise other related statutes pertaining to the UW–Milwaukee and UW–Parkside.

1 f. The chancellor of any University of Wisconsin college campus.

COMMENT: This provision would add the chancellors of any 2-year UW college campus to the list of entities that may authorize charter schools. There are currently 13 2-year UW college campuses in the state.

2 g. The board of regents of the University of Wisconsin.

COMMENT: This provision would allow the board of regents to authorize a charter.

3 h. A private college or university in Wisconsin [accredited by the Higher Learning
4 Commission] [which is a member of the Wisconsin Association of Independent Colleges and
5 Universities.]

COMMENT: This provision would allow authorization of a charter school by a private college or university. Optional provisions are shown in brackets to allow only those entities that are accredited by the Higher Learning Commission or to those that are members of the Wisconsin Association of Independent Colleges and Universities. A list of the entities that are included in these 2 groupings is included in the materials distributed to the committee prior to the December 19, 2006 meeting. A decision will also be needed to clarify whether the authorization may be given by the chief administrative officer, or the governing board, if one exists. If the decision is made by the chief administering officer, would it need to be approved or ratified by a higher level unit as are certain charter school chartering decisions under s. 118.40 (2r) b. 2., stats.?

6 i. The district board of a technical college district.

COMMENT: This provision would permit a district board of a technical college district to charter a school. Depending upon the decision of the committee, it may be necessary to amend the statutes that currently specifically authorize the Milwaukee area district board to charter schools. There are currently 16 technical college district boards in the state.

7 j. The board of control of a cooperative educational service agency.

COMMENT: This provision would allow the board of control for each cooperative educational service agency (CESA) to create a charter school. There are currently 12 CESA districts in the state.

1 2. A charter shall include all of the provisions specified under sub. (1m) (b) 3. to 14.
2 A contract shall include all of the provisions specified under sub. (1m) (b) 1. to 14. and shall
3 specify the effect of the establishment of the charter school on the liability of the contracting
4 entity under this paragraph. The contract may include other provisions agreed to by the
5 parties. The chancellor of the University of Wisconsin–Milwaukee or of the University of
6 Wisconsin–Parkside may not establish or enter into a contract for the establishment of a
7 charter school under this paragraph without the approval of the board of regents of the
8 University of Wisconsin System.

COMMENT: This current statute relating to review by the board of
 regents could be made applicable to other UW entities authorized to
 charter schools, if that is the decision of the committee.

9 3. If the chancellor of the University of Wisconsin–Parkside contracts for the
10 establishment of a charter school, the contract shall also provide that the charter school must
11 be operated by a governing board and that the chancellor or his or her designee must be a
12 member of the governing board. In addition, if the contract provides that the instructional staff
13 of the charter school shall consist of employees of the board of regents of the University of
14 Wisconsin System, the contract shall also include provisions that do all of the following:

15 a. Delegate to the governing board of the charter school the board of regents' authority
16 to establish and adjust all compensation and fringe benefits of instructional staff, subject to
17 the terms of any collective bargaining agreement under subch. V of ch. 111 that covers the
18 instructional staff. In the absence of a collective bargaining agreement, the governing board
19 may establish and adjust all compensation and fringe benefits of the instructional staff only
20 with the approval of the chancellor of the University of Wisconsin–Parkside.

21 b. Authorize the governing board of the charter school to perform specified duties for
22 the board of regents with respect to the instructional staff. This authorization may include

1 duties related to supervising the instructional staff, taking disciplinary actions with respect to
2 the instructional staff, recommending new hires or layoffs, collective bargaining, claims,
3 complaints, or benefits and records administration.

COMMENT: The above provisions in s. 118.40 (2r) b. 3., stats., currently apply only to the charter school established by the UW-Parkside. It would be possible to make these provisions also applicable to other UW entities authorized to charter schools. Alternatively, the committee could decide to allow these provisions to be only applicable to the UW-Parkside created charter schools or to repeal these provisions to remove the restrictions.

4 (bm) The common council of the city of Milwaukee, the chancellor of the University
5 of Wisconsin-Milwaukee, and the Milwaukee area technical college district board may only
6 establish or enter into a contract for the establishment of a charter school located in the school
7 district operating under ch. 119. The chancellor of the University of Wisconsin-Parkside may
8 only establish or enter into a contract for the establishment of a charter school located in a
9 unified school district that is located in the county in which the University of
10 Wisconsin-Parkside is situated or in an adjacent county.

11 (c) 1. Except as provided in subd. 3., only pupils who reside in the school district in
12 which a charter school established under this subsection is located may attend the charter
13 school.

14 3. A pupil may attend Woodlands School, a charter school established in the school
15 district operating under ch. 119 under this subsection, regardless of the pupil's school district
16 of residence, if any of the following applies:

17 a. The pupil attended Woodlands School in the 2003-04 school year and, beginning in
18 the 2005-06 school year, in the previous school year.

19 b. A member of the pupil's family who resides in the same household as the pupil
20 attended Woodlands School in the 2003-04 school year.

COMMENT: The above provisions in s. 118.40 (2r) c. 3., stats., relate to the eligibility of pupils to attend a charter school. The statute requires, with the exception of the Woodlands School, that enrollment is open only to pupils who reside in the school district in which the charter school is located. It is possible to have this section apply to other added authorizers, or to specify an appropriate attendance area for each.

1 (cm) The chancellor of the University of Wisconsin–Parkside may establish or enter
2 into a contract for the establishment of only one charter school under this subsection, which
3 may not operate high school grades and which may not accommodate more than 480 pupils.

COMMENT: This provision is an enrollment cap and grade level limit (no high school grades) for the charter school created by UW–Parkside. It also limits to one the number of charter schools that UW–Parkside can create. The committee will need to determine whether to limit the size, grade levels, or the number of charters the new entities may authorize and determine whether it wishes to recommend any changes to the current limit on UW–Parkside.

4 (d) The chartering or contracting entity under par. (b) shall do all of the following:

5 1. Ensure that all instructional staff of charter schools under this subsection hold a
6 license or permit to teach issued by the department.

7 2. Administer the examinations under ss. 118.30 (1r) and 121.02 (1) (r) to pupils
8 enrolled in charter schools under this subsection.

9 (e) 1. From the appropriation under s. 20.255 (2) (fm), the department shall pay to the
10 operator of the charter school an amount equal to the sum of the amount paid per pupil under
11 this subdivision in the previous school year and the increase in the per pupil amount paid to
12 private schools under s. 119.23 (4) (b) 2. in the current school year as compared to the previous
13 school year, multiplied by the number of pupils attending the charter school. The amount paid
14 per pupil may not be less than the amount paid per pupil under this subdivision in the previous
15 school year. The department shall pay 25% of the total amount in September, 25% in

1 December, 25% in February, and 25% in June. The department shall send the check to the
2 operator of the charter school.

COMMENT: This provision sets forth the basis for calculating the per pupil payment for current (2r) charter schools as well as the payment schedule. Since, with the exception of UW-Parkside, all of the (2r) authorizers are in the Milwaukee school district, the per pupil payment is based in part on payments to private schools under the Milwaukee parental choice program. The current system is described in the memorandum prepared for the committee "Milwaukee and Racine Charter School Program Funding", dated September 26, 2006. The committee will need to make a determination as to the desired funding mechanism for any new authorizing entities, that is, whether to continue as under current law to reduce general equalization aids to all school districts to fund (2r) charter schools or to create a different funding mechanism.

3 2. If the chancellor of the University of Wisconsin-Parkside establishes or contracts for
4 the establishment of a charter school under this subsection, in March the department shall pay
5 to the unified school district in which the charter school is located, from the appropriation
6 under s. 20.255 (2) (fm), an amount equal to the amount of school aid per pupil to which the
7 unified school district is eligible in the current school year multiplied by the number of pupils
8 attending the charter school who were previously enrolled in the unified school district.

COMMENT: This provision relates to the additional aid payments made to the Racine Unified School District in recognition of the pupils it lost to the charter school created by UW-Parkside. The committee should decide if other school districts affected by new charter schools should be similarly aided.

9 (f) If the chancellor of the University of Wisconsin-Parkside establishes or contracts
10 for the establishment of a charter school under this subsection, biennially the chancellor shall
11 submit a report to the legislature under s. 13.172 (2). The report shall include information on
12 the academic performance of the pupils who attend the charter school and on the success of
13 the governance structure of the charter school.

COMMENT: This provision requires a biennial report to the legislature about the UW-Parkside charter school. The committee could decide to make the statute applicable to other entities or to retain it only for UW-Parkside.