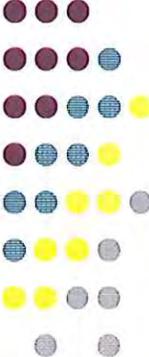


Charter Schools

Wisconsin Legislative Fiscal Bureau
January, 2011



Charter Schools

Prepared by

Layla Merrifield

Wisconsin Legislative Fiscal Bureau
One East Main, Suite 301
Madison, WI 53703

Charter Schools

The movement for charter schools emerged in the late 1980s as a strategy for education reform. Minnesota initiated the first charter school law in 1991 and California followed suit in 1992. In 1993, Wisconsin was one of six states to pass charter school legislation, enacted as part of the 1993-95 state budget (1993 Act 16). As of 2010, 40 states, the District of Columbia, and Puerto Rico had enacted some type of charter school legislation, although Mississippi allowed its charter law to expire in 2009.

While specific provisions of charter school legislation vary among the states that have enacted it, certain characteristics are generally associated with charter schools. Charter schools are usually exempt from most laws and rules governing traditional public schools. However, it is generally required that charter schools be free of tuition, be nonsectarian, have nonselective admission policies, and abide by the same health, safety, and nondiscrimination laws that apply to non-charter schools. A public authority or "sponsor," such as a local or state educational agency, usually has oversight or approval responsibilities, but a charter school may be operated by a separate entity such as a group of teachers or parents. The school may be legally or fiscally autonomous or it may remain a part of the school district. The schools are operated under a limited-term contract, or charter, which the sponsoring agency can revoke or not renew upon expiration.

Charter school legislation is intended to accomplish four primary objectives: (a) to encourage the development and implementation of innovative teaching methods through increased flexibility and freedom from regulations; (b) to improve the educational system as a whole by increasing competition for pupils among schools; (c) to provide increased accountability; and (d) to offer additional educational options to pupils and parents. How-

ever, because the nation's charter school laws have been enacted relatively recently, and charter school laws and operations can vary widely among states and schools, research regarding the attainment of these goals has found mixed results and is so far inconclusive.

This paper describes Wisconsin's charter school law and provides information on charter schools in operation in the state.

Wisconsin's Charter School Law

Legislative History

In 1993, the Legislature created the charter school program. Under the original charter school legislation, 1993 Act 16, no more than 20 charter schools could be established statewide, with no more than two schools per district. School boards needed the approval of the State Superintendent of Public Instruction to establish charter schools. In addition, newly approved charter schools were required to show significant progress toward operating by the beginning of the following school year, and if it was determined that such progress was not demonstrated by a district, the State Superintendent could withdraw approval of the charter school.

Under 1995 Act 27, all of the above mentioned restrictions on the number of charter schools and requirements for approval by the State Superintendent were repealed, and a number of additional modifications to the charter school laws were made. Act 27 authorized two or more school boards to enter into a contractual agreement to establish a charter school, locating the school in just one of the establishing school districts. In addition,

school districts were allowed to distribute school funds to charter schools in the same manner used to distribute funds to any school in the district. As a result, per pupil spending for charter school pupils, may be more, less, or the same as spending for non-charter school pupils. The legislation also required the Employment Relations Commission to place professional employees of a charter school in a separate collective bargaining unit from a unit that includes any other professional employees, if at least 30% of the charter school professional employees request a vote and the majority approve the change.

In addition, under 1995 Act 27, a number of exemptions and special provisions applicable only to Milwaukee Public Schools (MPS) were created. Specifically, as enacted under Act 27, the MPS School Board is required to grant or deny a charter school petition within 30 days after a public hearing. If the school board denies the petition, the person seeking to establish the charter school may, within 30 days after the denial, appeal the decision to the Department of Public Instruction (DPI). The Department must issue a decision within 30 days after receiving the appeal. This decision is final and not subject to judicial review. Act 27 also provided that private schools can be converted to public charter schools within MPS. In addition, Act 27 provided that charter schools created within MPS were not to be considered instrumentalities of MPS and personnel employed by these charter schools were not to be considered employees of MPS. Lastly, a provision was included that specified that reassignment of MPS employees, with or without regard to seniority, as a result of MPS contracting for the operation of a charter school or converting a school to a charter school, or the impact of any such reassignment on the wages, hours or conditions of employment cannot be the subject of collective bargaining between the school district and any collective bargaining unit.

Under 1997 Act 27, authority was provided to the City of Milwaukee, the University of Wisconsin-Milwaukee (UWM) and the Milwaukee Area Technical College (MATC) to create charter schools

within MPS.

Further changes to the laws governing charter schools were made in 1997 Act 238. Act 238 provided that: (a) school boards are required to consider the fiscal effect on the district before establishing a charter school; (b) districts may contract with a cooperative educational service agency to establish a charter school; (c) school districts statewide may convert private nonsectarian schools to charter schools; and (d) generally, school districts statewide are given the authority to determine whether or not staff at charter schools are school district employees.

Under 1999 Act 9, the state aid reduction associated with charter schools operated by the City of Milwaukee, UWM, or MATC was changed. The aid reduction was modified so that it no longer applied solely to MPS; instead, a uniform percentage reduction was made in the general school aids received by all school districts. In addition, the treatment of pupils attending these schools was modified for state aid and revenue limit purposes, so that MPS no longer includes these pupils under either general school aids or revenue limits. Act 9 also specified that the operator of these schools would be considered to be the local education agency (LEA), unless the MPS Board would agree with the operator to serve as the LEA for federal special education requirements. In addition, Act 9 made these charter schools eligible for state special education aid if they provide such services. Finally, Act 9 required each operator of Milwaukee charter schools to adopt pupil academic standards.

Under 2001 Act 16, the Milwaukee charter school program was expanded to allow the University of Wisconsin-Parkside to establish or contract to establish a charter school on a pilot basis, with a maximum of 400 pupils. This limit on enrollment was increased to 480 pupils in 2005 Act 111. This school was established in the Racine Unified School District.

Under 2007 Act 222, virtual charter schools were defined in statute and regulated within the

laws governing charter schools and the interdistrict open enrollment program. Because such schools were already operating in Wisconsin, Act 222 largely codified current practices, added some requirements, and imposed a limit on participation in such schools via the open enrollment program.

Also, under Act 222 the State Superintendent is required to establish a statewide web academy to make online courses available for a reasonable fee to school districts, CESAs, and charter and private schools in the state.

Under 2009 Act 28, the aid mechanism was again altered, such that the offsetting reduction in general school aids would be capped at the 2010-11 expenditure amount for charter schools. Beginning in 2011-12 and thereafter, expenditures above the 2010-11 amount will be funded by the general fund. Also, Act 28 authorized school districts to contract with federally recognized American Indian tribes to operate charter schools. Such a school must be located within the chartering school district or within the boundaries of the tribe's reservation.

The sections that follow describe current charter school law as it applies to: (a) local school boards; (b) virtual charter schools; (c) the City of Milwaukee, UWM and MATC; and (d) UW-Parkside. The second section details those provisions specifically applying only to virtual charter schools. Provisions that specifically apply only to the City of Milwaukee, UWM, MATC and UW-Parkside are described in the third section. The fourth section describes those provisions that only relate to UW-Parkside.

Local School Board Provisions

Methods of Establishment. An unlimited number of charter schools may be formed in the state. There are two methods under which local school boards may authorize charter schools.

First, a school board may, on its own initiative, contract with a person to operate a school as a charter school. Under this process, a board may convert

all of the district's schools to charter schools as long as the board provides alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a charter school. At least 30 days before entering a contract that would convert a private school to a charter school or that would establish a charter school that is not an instrumentality of the school district, the board must hold a public hearing on the contract. At the hearing, the board must consider employee and parental support for the charter school and the fiscal impact of the charter school on the district.

Second, a school board may authorize the establishment of a charter school upon receipt and approval of a written petition requesting the board to do so. The petition must be signed by at least 10% of the teachers employed by the district or by at least 50% of the teachers employed at one school in the district. The board must hold a public hearing within 30 days of receiving the petition. At the hearing, the board must consider the level of employee and parental support for the school and the fiscal impact of the charter school on the district. After the hearing, the board may grant the petition.

If the petition process is used, a school board may convert all of the district's schools to charter schools as long as the school board abides by the following two additional requirements: (a) the petition must be signed by at least 50% of the district's teachers; and (b) the school board must provide alternative public school attendance arrangements for pupils who do not wish to attend or are not admitted to a charter school.

In awarding charter school contracts, school boards are required to give preference to charter schools that serve children-at-risk.

The MPS Board is required to grant or deny a charter school petition within 30 days after a public hearing. If the school board denies the petition, the person seeking to establish the charter school may, within 30 days after the denial, appeal the decision to DPI. The Department must issue a decision

within 30 days after receiving the appeal. This decision is final and not subject to judicial review.

State Notification. A school district must notify DPI of its intention to create a charter school and include a description of the proposed school in the notice. The Department does not have the authority to approve or deny charter school requests.

Legal Status of a Charter School. The law specifies, with one exception, that the school board of the school district in which a charter school is located determines whether or not the charter school is an instrumentality of the district. If the board determines that the charter school is an instrumentality of the district, the board must employ all personnel for the charter school. If the board decides the charter school is not an instrumentality of the district, the board cannot employ any personnel for the charter school. The exception to this provision provides that a private school located in the MPS district which is converted to a charter school is not an instrumentality of MPS; therefore, MPS cannot employ any personnel for such a charter school.

Charter School Restrictions. A charter school cannot: (a) be a converted private sectarian school; or (b) charge tuition. A charter school must be nonsectarian in its programs, admission policies, employment practices and all other operations.

Charter schools are also prohibited from discriminating in admission or denying participation in any program or activity on the basis of a person's sex, race, religion, national origin, ancestry, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability. However, under 2005 Act 346, a school board may enter into a contract for the establishment of a charter school that enrolls only one sex or that provides one or more courses that enroll only one sex if the school board makes available to the opposite sex, under the same policies and criteria of admission, comparable schools or courses. Charter schools are subject to all federal laws governing education, including the Elementary and Secondary Education Act and the Individuals with Disabilities Education

Act.

Pupil Rights. No pupil may be required to attend a charter school without the approval of his or her parents or legal guardian, or the pupil's approval if the pupil is an adult. In addition, if a charter school replaces a public school, in whole or in part, the school must give preference in admission to any pupil residing within the current or former attendance area of that public school.

Charter School Requirements. A charter school is not subject to the provisions of Chapters 115 through 121 of the Wisconsin Statutes, which are generally the provisions that govern elementary and secondary education, except for the following requirements to:

a. Administer the Wisconsin knowledge and concepts examinations to 3rd through 8th grade pupils and to 10th grade pupils, and adopt pupil academic standards in mathematics, science, reading and writing, geography, and history.

b. Develop and enforce a policy specifying criteria for promoting a pupil from 4th grade to 5th grade, from 8th grade to 9th grade, and for granting a high school diploma. A charter school cannot promote a pupil from 4th to 5th grade or from 8th grade to 9th grade unless the pupil satisfies the promotion criteria, and cannot grant a high school diploma unless the pupil has satisfied these criteria.

c. Be included in a school district's annual school performance report.

d. Ensure that all of the school's instructional staff hold a license or permit to teach issued by DPI.

The Department has promulgated an administrative rule defining "instructional staff" to mean all professional employees who have direct contact with students or with the instructional program of the school, including teachers, librarians, pupil services staff and administrative staff who supervise licensed staff.

In addition, DPI has established, by rule, a special charter school instructional staff license and permit. A charter school instructional license may be issued to an individual who holds a valid Wisconsin teaching license issued by DPI to teach a subject outside his or her teaching license. However, an individual assigned to teach a core academic subject in a charter school must hold a valid license and have done one of the following: (a) completed a major or minor in the assigned core academic subject; (b) successfully passed a content knowledge exam prescribed by DPI in the core academic subject; or (c) demonstrated knowledge and competence in the assigned core academic subject based on an assessment process approved by DPI. A charter school instructional staff license has the same renewal interval and requirements as an individual's existing license. The district administrator of the employing school district or charter school may request that a license be issued to individual if he or she volunteers for the assignment and submits a completed application to DPI, stating his or her qualifications for the license.

An individual who has not completed an approved teacher education program may be employed as a teacher in a charter school if he or she obtains a charter school instructional permit. A one-year, renewable permit may be issued if all of the following apply: (a) an administrator of the employing school district or charter school requests the permit, following a search for qualified, licensed teacher; (b) the individual receiving the permit has a bachelor's degree in the subject that he or she is assigned to teach, or in a related field, or has formal proof of mastery in a trade that he or she is assigned to teach; (c) the individual completes 6 credits of training or the equivalent coursework, as part of an approved license program in the assigned teaching assignment, each school year that he or she is employed in a charter school; (d) an individual is exempt from the 6 credit requirement if he or she holds a terminal degree in his or her field and has a teaching assignment at an accredited Wisconsin postsecondary institution, or has formal proof of mastery in a trade and has a teaching assignment at

a Wisconsin technical college; and (e) the individual's practice is coordinated, directed and inspected by a person who is licensed by DPI to teach the subject or trade that the permit holder is teaching.

Charter School Contract. If a charter school is established through the petition process, the school board is required to contract with the person named in the petition to operate the school. If a charter school is established on the initiative of the school board, the board may contract with a person to operate the school. In addition, two or more school boards may enter into a contractual agreement to establish a charter school, locating the school in just one of the establishing school districts, and one or more school boards may enter into an agreement with the board of control of a CESA to establish a charter school, locating the school within the boundaries of the CESA.

Under 2009 Acts 28 and 61, when establishing a charter school, a school board or independent charter authorizer must consider the principles and standards for quality charter schools established by the National Association of Charter School Authorizers.

The contract may be for any term not exceeding five school years and can be renewed for one or more terms not exceeding five school years. In addition, the contract must specify the amount to be paid to the charter school during each school year.

The contract and the petition must include the following 15 provisions and may include other provisions agreed upon by the parties:

1. The name of the person who is seeking to establish the charter school.
2. The name of the person who will be in charge of the charter school and the manner in which administrative services will be provided.
3. A description of the educational program of the school.

4. The methods the school will use to enable pupils to attain the state's educational goals and expectations under s. 118.01 of the statutes.

5. The method by which pupil progress in attaining the state's educational goals and expectations will be measured.

6. The governance structure of the school, including the method to be followed by the school to ensure parental involvement.

7. The qualifications that must be met by the individuals to be employed in the school.

8. The procedures that the school will follow to ensure the health and safety of the pupils.

9. The means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the school district population.

10. The requirements for admission to the school.

11. The manner in which annual audits of the financial and programmatic operations of the school will be performed.

12. The procedures for disciplining pupils.

13. The public school alternatives for pupils who reside in the school district and do not wish to attend or are not admitted to the charter school.

14. A description of the school facilities and the types and limits of the liability insurance that the school will carry.

15. The effect of the establishment of the charter school on the liability of the school district.

Transportation. Charter schools are not required, under current law, to provide transportation for their pupils. Similarly, the law does not specifically include charter pupils among the pupils that school districts are required to transport. However,

if the parties agree, then the contract between a charter school and school board may provide for the transportation of charter school pupils.

Charter Revocation. A school board can revoke a contract with a charter school if the board finds that any of the following occurred: (a) the school violated the contract; (b) the school's pupils failed to make sufficient progress toward attaining the state's educational goals and expectations; (c) the school failed to comply with generally accepted accounting standards of fiscal management; or (d) the school violated the charter school law.

Funding and Expenditures. As noted, the contract between the school board and the person operating the charter school must specify the amount to be paid to the charter school during each school year of the contract. The pupils enrolled in the charter school are counted by the school district for revenue limits, included in the school district's membership for aid purposes, and the contract costs are eligible for state cost sharing under the equalization aid formula.

A charter school established by a school district may participate in categorical school aid and grant programs, but such participation needs to be included in the charter. Under 2005 Act 25, district-sponsored non-instrumentality charter schools can be reimbursed for special education costs in the same manner as other types of charter schools, if the school board contracts with the charter school to provide special education services to pupils attending the school. A charter school must comply with all requirements associated with the categorical aid program in which it participates.

Since 1996, DPI has been awarded federal grants through the U.S. Department of Education to provide funds to local school districts for charter school planning and implementation grants. The Department received three-year grants in 1996, 1999, 2002, and 2005. The 2005-08 grant totaled \$52.5 million. In 2009, DPI was awarded a five-year grant that will run through 2014 and total \$86.0 million. Five percent of the funding is reserved for DPI project ad-

ministration and 95% is awarded to school districts. Thus far for the 2010-11 school year, DPI has awarded 33 grants for planning new charter schools and eight dissemination grants for expansion of successful charter models, totaling \$8.0 million. In addition, 17 implementation grants for first- and second-year charter school operations have been awarded, totaling \$3.3 million.

Virtual Charter School Provisions

Establishment. In 2002-03, the first "virtual" charter school, Wisconsin Connections Academy, was chartered by the Appleton Area School District. The Appleton district provides pupils curricular materials, including a computer system and Internet access, through a contract with Connections Academy, a private company. This virtual charter school offers an online K-8 elementary curriculum and enrolls pupils statewide, through the state interdistrict open enrollment program. Appleton also operates Appleton eSchool for grades 9-12.

In 2003-04, the Northern Ozaukee School District chartered another virtual school, the Wisconsin Virtual Academy, offering online courses in grades kindergarten to 7. The Virtual Academy also offers statewide online instruction, via the open enrollment program and a contract with K12, another private online curriculum provider. In 2007-08, Northern Ozaukee also opened Honors High Online for grades 9 to 12, although that school was closed in 2008-09.

Kiel Area School District opened the Kiel eSchool in 2003, serving grades 7 through 12. Monroe School District opened the Monroe Independent Virtual Charter High School as well in 2003, and opened the Monroe Virtual Charter Middle school in 2006.

In 2004-05, three more virtual charter schools opened: Grantsburg Virtual School in the Grantsburg School District; iQ Academies of Wisconsin in the Waukesha School District; and the Northeast Wisconsin Online Charter School in the Kohler School District, which was closed in 2008-09. Grantsburg subsequently opened Insight School of

Wisconsin in 2007-08, but closed Grantsburg Virtual in 2008-09.

In 2005-06, the JEDI (Jefferson Eastern Dane Interactive) Virtual High School in the Cambridge School District, and the Rural Virtual Academy in the Medford Area Public School District were opened. JEDI is open to all students, although most are drawn from the nine school districts in Dane and Jefferson counties who have worked cooperatively to develop the school. Rural Virtual Academy serves K-8 nontraditional students, and a five-district consortium helps govern the school.

In 2007-08, the Janesville School District opened Janesville Virtual Academy, and Kenosha Unified School District opened the Kenosha eSchool. Both serve grades 9 to 12.

In 2009-10, McFarland School District opened another Wisconsin Virtual Academy, also contracting with K12 to provide the online curriculum.

Finally, for the 2010-11 school year, the Spooner Area School District opened the Kaplan Academy of Wisconsin, which will serve grades 6 to 12, and the Middleton-Cross Plains School District opened the 21st Century eSchool.

In 2009-10, statewide enrollment in virtual schools was approximately 3,900, including both resident pupils and those participating through open enrollment.

Given the growth of virtual charter schools and to address a court ruling concerning their operation, legislation specifically aimed at such schools was passed as 2007 Act 222. The Court of Appeals' decision handed down in December, 2007, found that virtual charter schools violated state law, as it existed at the time, in three respects: (a) school districts were prohibited from operating charter schools located outside the district; (b) open enrollment students were required to attend a school in the district in which they open enroll; and (c) the parent of a virtual school pupil acts as the child's primary teacher, in violation of a requirement that

public school teachers be state certified. Act 222 addressed the court's findings, and defined a virtual school as one in which all or a portion of instruction is provided on the Internet, and pupils and staff are geographically remote from each other.

Virtual Charter School Requirements. Access to instructional staff is provided by the virtual schools, but pupils generally complete work independently under the supervision of their parents. Under Act 222, beginning July 1, 2009, teachers in virtual charter schools must be appropriately licensed by DPI in the subject and grade level for each virtual course taught. Beginning July 1, 2010, teachers of online courses in a public school, including a charter school, must complete 30 hours of professional development designed to prepare them for online teaching. Anyone providing educational services to a virtual charter pupil in the pupil's home who is not instructional staff employed by the school, including the pupil's parent or guardian, is not required to hold a license or permit to teach issued by DPI.

Under Act 222, virtual charter schools are required to provide educational services to pupils at least 150 days each school year, and instructional staff duties are enumerated. Teachers must be available for direct instruction for at least the same number of hours of instruction as are required for regular public school pupils, which varies by grade level, but no more than 10 hours per day can count towards this requirement. Teachers in virtual charter schools must respond to any inquiries by pupils and parents within one full school day. Pupils are required to participate in state pupil assessments.

Also under Act 222, the governing body of a virtual charter school must establish a parent advisory council that meets regularly. At the beginning of each school term, the governing body must inform its pupils' parents how to contact the school's staff, governing body, authorizing school board, and parent advisory council.

Other specified requirements under the open enrollment program are also applied to virtual char-

ter schools. A virtual charter school is considered to be located in the school district that contracts for the establishment of the school. Or, if a district enters into an agreement with another district or CESA to establish a virtual charter, the school is considered to be located in the district specified under that agreement.

Finally, the Legislative Audit Bureau was required to perform a performance and financial audit of virtual charter schools and report the findings to the Legislature by December 30, 2009. That audit, published in February, 2010, found that virtual schools collected \$18.0 million in revenue in 2007-08, of which \$14.2 million came from state aid payments. Eight of the 15 virtual schools operating in 2007-08 on average spent less per pupil than they collected under open enrollment, \$6,007 per pupil in that year. While expenditures per pupil varied widely among schools, on average the 15 virtual schools spent \$5,779 per pupil. In 2007-08, virtual charter schools expended approximately \$8.4 million for curriculum materials, \$8.2 million for staffing, \$715,000 for advertising, and \$483,000 for miscellaneous overhead items, for a total of approximately \$17.8 million. Over 90% of parents and guardians surveyed for the audit reported that they were satisfied with their child's virtual school.

Virtual Charter School Restrictions. The City of Milwaukee, UW-Milwaukee, MATC, and UW-Parkside are prohibited from establishing virtual charter schools. Like other charter schools, virtual charters are prohibited from charging tuition, except that virtual operators are required to charge tuition to out of state pupils enrolled in the school, in an amount equal to at least the open enrollment payment amount.

Act 222 provides that pupils attending a virtual school are not subject to the usual compulsory school attendance requirements, but are subject to specified requirements regarding participation. Act 222 defines the equivalent of excused absences for virtual charter school pupils. If a pupil fails to adequately participate in the virtual school, the pupil may be transferred back to his or her resident

district, or, if attending a virtual school within the resident district, to another school or program within that district. A parent or guardian may appeal such transfers to the Department.

Funding and Expenditures. Under open enrollment, a pupil may attend any public school located outside his or her school district of residence, under certain circumstances. The school district of residence counts the pupil for the purposes of revenue limits and aid membership. The nonresident district receives a per pupil transfer amount, determined by DPI, and equal to the statewide average per pupil school district costs for regular instruction, co-curricular activities, instructional support services, and pupil support services for the prior school year. The 2010-11 per pupil cost for these four categories is estimated to be \$6,796. (For more information on this program, please see the informational paper entitled, "Interdistrict Public School Open Enrollment.") The contract costs for the services of the private curriculum provider are funded by the open enrollment payments received from the pupils' school districts of residence. Such contracts are open to public inspection and copying.

Enrollment Cap. Under Act 222, beginning in the 2009-10 school year, the total number of pupils attending virtual charter schools through the open enrollment program is capped at 5,250 in any given school year. Virtual charters must report to DPI the number of current pupils, current pupils' siblings, and new pupils who applied and were accepted for enrollment. If DPI expects the cap to be reached for a given year, currently attending pupils and their siblings are given preference over other newly applying pupils. New pupils are selected on a random basis until the cap is reached, and are then placed on waiting lists. As of August, 2010, all pupils originally placed on waiting lists for the 2010-11 school year were permitted to enroll in virtual charter schools, as other pupils originally assigned to virtual charter schools withdrew.

City of Milwaukee, UWM, and MATC Provisions

Method of Establishment. Under 1997 Act 27,

the Common Council of the City of Milwaukee, the Chancellor of UWM, and MATC are authorized to establish by charter and operate, or contract with a group or individual to operate, a charter school.

Notification. Each of these entities is required to notify DPI of its intention to establish a charter school by February 1 of the previous school year. The notice must include a description of the proposed school. The Chancellor of UWM may not establish or contract for the establishment of a charter school without the approval of the Board of Regents of the UW System.

Milwaukee Charter School Restrictions. A charter school established or contracted for must be located within the MPS district and pupils residing within the MPS district may attend the charter school. Under 2005 Act 25, provisions that placed further eligibility restrictions on pupils residing within MPS were eliminated. Act 25 also expanded eligibility for state school lunch categorical aid to these charter schools. Finally, under 2005 Act 346, independent charter schools, like those sponsored by school districts, were permitted to establish single-sex schools or courses, provided that comparable schools or courses are available to the opposite sex.

Under 2003 Act 156, additional eligibility criteria were created for pupils attending the Woodlands School, a private school located in MPS that had previously participated in the Milwaukee parental choice program, but also enrolled tuition-paying pupils who resided within or outside MPS. Woodlands contracted with UWM to convert to a charter school beginning in 2004-05. Act 156 modified the law in order to accommodate pupils who wished to continue attending Woodlands but who did not meet the enrollment requirements listed above. Instead, pupils may attend Woodlands regardless of their school district of residence if: (a) the pupil attended Woodlands in the 2003-04 school year and, beginning in the 2005-06 school year, in the previous year; or (b) a member of the pupil's family who resides in the same household as the pupil attended Woodlands in the 2003-04

school year.

Legal Status of a Milwaukee Charter School.

In general, these charter schools cannot be instrumentalities of the MPS district and MPS cannot employ any personnel for these charter schools. However, any charter school authorized by the City that is established and operated by a for-profit entity must be an instrumentality of MPS and all staff employed by the charter school must be employees of MPS.

Milwaukee Charter School Requirements.

The chartering or contracting entities are required to: (a) ensure that all instructional staff of the charter school hold a teaching license or permit issued by DPI; and (b) administer the Wisconsin knowledge and concepts examinations in grades three through eight, and in grade 10.

In addition, these charter schools, along with all charter schools, must follow applicable federal laws. Like school boards, the chartering or contracting entity must give preference in awarding contracts to charter schools that serve children-at-risk. When establishing or contracting to establish a charter school, these authorizers are required, as are school boards, to consider the principles and standards for quality charter schools established by the National Association of Charter School Authorizers.

Milwaukee Charter School Contract.

A charter for a charter school established by the City of Milwaukee, UWM or MATC is required to include all of the items for a petition to establish a charter school by a school board, except: (a) the name of the person who would operate the charter school; (b) the name of the person who would be in charge of the charter school and the manner in which administrative services would be provided; and (c) the effect of the establishment of the charter school on the liability of the school district. A contract to operate a charter school is required to include all of the items required for a petition to establish a charter school by a school board with one exception. Instead of including a description of the

effect of the establishment of the charter school on the liability of the school district, the contract must specify the effect of the establishment of the charter school on the liability of the contracting entity. A contract may include other provisions agreed to by the parties. This contract is subject to revocation by the contracting entity for the same grounds that a school board can revoke a contract with a charter school.

Transportation. Similar to charter schools contracted by school districts, charter schools established by the City of Milwaukee, UWM, and MATC are not included under current law governing pupil transportation obligations. Therefore, these charter schools are not required to provide transportation for their pupils. However, if the parties agree, then the contract between a charter school and the chartering entity may provide for the transportation of charter school pupils.

Funding and Expenditures. Through 2010-11, DPI is required to pay the operators of these charter schools an amount equal to the sum of the amount paid per pupil in the previous school year and the amount of increase per pupil allowed under the Milwaukee parental choice program, multiplied by the number of pupils attending the charter school. Beginning with the 2011-12 school year, per pupil payments will equal the prior year's payment plus the per pupil adjustment allowed under revenue limits.

DPI is required to make payments equivalent to 25% of the total due to each school in September, December, February and June of each school year and send the check to the operator of the charter school. The payment amount is \$7,775 per pupil in 2010-11. The table shows the number of pupils and program expenditures since 1998-99 including the charter school operated by UW-Parkside. These pupils are not counted by any school district for the purposes of revenue limits and aid membership.

In May, 1998, the Common Council of the City of Milwaukee passed an ordinance that enabled the City to contract for the establishment of charter

Milwaukee/Racine Charter School Expenditures Including RUSD Aid Payment

	Pupils	Payment	Expenditures (In Millions)
1998-99	55	\$6,062	\$0.4
1999-00	193	6,272	1.2
2000-01	1,411	6,494	9.2
2001-02	2,046	6,721	13.8
2002-03	3,360	6,951	24.2
2003-04	3,601	7,050	26.7
2004-05	4,066	7,111	30.0
2005-06	4,473	7,519	34.8
2006-07	4,826	7,669	38.5
2007-08	5,487	7,669	43.5
2008-09	5,296	7,775	42.7
2009-10	6,124	7,775	49.7
2010-11	7,200*	7,775	57.3*

*Estimated

schools beginning in the 1998-99 school year. Currently, five schools are operating under the City's chartering authority: (a) Central City Cyberschool; (b) Darrell Lynn Hines College Preparatory Academy; (c) Downtown Montessori Academy; (d) King's Academy; and (e) Milwaukee Academy of Science. Currently 12 schools are operating under UWM's chartering authority: (a) Bruce Guadalupe; (b) Business and Economics Academy of Milwaukee; (c) Capitol West Academy; (d) Milwaukee College Preparatory School; (e) Milwaukee Renaissance Academy; (f) School for Early Development and Achievement; (g) Seeds of Health Elementary School; (h) Tenor High School; (i) Urban Day Charter School; (j) Veritas High School; (k) Woodlands School; and (L) YMCA Young Leaders Academy. To date, MATC has not chosen to sponsor a charter school.

Based on the enrollment counts used in the October 15, 2010, general school aid calculation prepared by DPI, there are an estimated 7,200 full time equivalent pupils attending these charter schools in 2010-11, including pupils attending the charter school operated by UW-Parkside.

Offsetting Reduction in General School Aid.

Under prior law, funding equal to the estimated payment each year for these charter schools is reduced proportionally from the general school aids

paid to all school districts in the state. In 2010-11, it is projected that this estimated \$57.3 million reduction will represent a 1.2% decrease in the general school aids received by all school districts. However, under 2009 Act 28, the offsetting reduction in general school aids will be capped at the amount of reduction taken in 2010-11. Beginning in 2011-12, expenditures above the 2010-11 reduction amount will be funded with state, general purpose revenues (GPR).

A school district's revenue limit calculation is not affected by the independent charter school program reduction in aid. Thus, a school district can increase its property tax levy to offset any aid reduction related to this program.

UW-Parkside Provisions

Method of Establishment. UW-Parkside is authorized to establish by charter and operate, or contract to operate one charter school for grades kindergarten through eight. The enrollment limit for this charter school is 480 pupils.

Racine Charter School Restrictions. A charter school established or contracted for must be located within a unified school district in the county in which UW-Parkside (Racine County) is located or in an adjacent county.

Biennially, the Chancellor of UW-Parkside must submit a report to the Legislature providing information on the academic performance of pupils attending the charter school and on the success of the governance structure of the charter school.

Transportation. No provision is made for the transportation of pupils enrolled in a charter school contracted by UW-Parkside. Therefore, this charter school is not required to provide transportation for its pupils. Nothing in the law prevents UW-Parkside from addressing transportation of charter pupils in their contracts with the charter school.

Funding and Expenditures. DPI is required to make payments to UW-Parkside equal to those made to Milwaukee charter schools to operate a

charter school. Also, DPI is required to pay to the Racine Unified School District (RUSD) an amount equal to its gross equalization aid per pupil multiplied by the number of pupils attending the charter school who were previously enrolled in the District. For 2010-11, the Racine Unified School District will be eligible to receive gross equalization aid per member equal to \$6,065.

In March, 2002, the UW Board of Regents approved Racine Charter One to operate a charter school overseen by UW-Parkside and located in the Racine Unified School District. The charter school, the 21st Century Preparatory School, opened in the fall of 2002. Racine Unified School District will receive an estimated \$1.32 million in 2010-11 for an estimated 217 pupils previously enrolled in the district. The 21st Century Preparatory School will receive an estimated \$3.73 million in 2010-11.

Status of Wisconsin's Charter Schools

Since the inception of the charter school

program through the 2009-10 school year, 301 charter schools have been created. Ninety-five schools have subsequently closed due to funding issues, low enrollment, or other issues. In 2009-10, 206 charter schools were open, chartered by 82 authorities. DPI expects that 17 charter schools will open in 2010-11. In total, enrollment in all types of charter schools was approximately 36,100 pupils in 2009-10.

A comprehensive list of charter schools in operation in Wisconsin, including newly opened schools and those that have closed since the inception of the program, is published annually by DPI as the "Wisconsin Charter Schools Yearbook" and can be found online at: [www.dpi.state.wi.us/sms/pdf/2009-10yearbook.pdf]

Using the information drawn from that publication, the Appendix lists the charter schools in operation in 2009-10 by school district or chartering authority. For each charter school, the DPI description of the school type is shown.

APPENDIX

Wisconsin Charter Schools 2009-10 School Year

<u>Chartering Authority</u>	<u>Charter School</u>	<u>School Type</u>
Appleton	Appleton Career Academy	Technology/Vocational
Appleton	Appleton Central High School	At-Risk
Appleton	Appleton Community Learning Center	At-Risk
Appleton	Appleton eSchool	Virtual
Appleton	Appleton Public Montessori	Montessori
Appleton	Classical Charter School	General/Liberal Arts
Appleton	Foster (Stephen) Elementary School	General/Liberal Arts
Appleton	Fox River Academy	Environmental
Appleton	Kaleidoscope Academy	Gen./Lib. Arts/Tech.
Appleton	Odyssey-Magellan Charter School	Gifted/Talented
Appleton	Renaissance School for the Arts	Arts/Culture
Appleton	Tesla Engineering Charter School	Tech./Vocational/Math/Science
Appleton	Valley New School	Project-Based
Appleton	Wisconsin Connections Academy	Virtual
Augusta	Wildlands Science Research Charter	Environmental
Barron	Barron Area Montessori School	Montessori
Beloit	Eclipse Center Charter School	General/Liberal Arts/ Combination
Beloit	Roy Chapman Andrews Academy	Project-Based
Birchwood	Birchwood Discovery Center	Project-Based
Birchwood	Birchwood Blue Hills Charter School	Project-Based
Black River Falls	Black River Area Green School	Environmental
Blair-Taylor	School of Science, Engineering & Technology	Math/Science
Butternut	Promethian Charter School	Technology/Vocational
Cambridge	JEDI Virtual High School	Virtual
Chequamegon	Glidden Class ACT Charter School	Technology/Vocational
City of Milwaukee	Academy of Learning and Leadership	Expeditionary Learning
City of Milwaukee	Central City Cyberschool	General/Liberal Arts
City of Milwaukee	Darrell Lynn Hines Academy	General/Liberal Arts
City of Milwaukee	Downtown Montessori Academy	Montessori
City of Milwaukee	Milwaukee Academy of Science	Math/Science
Columbus	Discovery Charter School	Early Learning/Science
Crandon	Crandon Alternative Resource School	At-Risk
Cumberland	Island City Research Academy	Environmental
Denmark	Denmark Empowerment Charter School	At-Risk
Eau Claire	Chippewa Valley Montessori Charter School	Montessori
Eau Claire	McKinley Charter School	At-Risk
Elkhorn	Walworth Co Educ Consortium Alternative High	At-Risk
Flambeau	Flambeau Charter School	Technology/Vocational
Flambeau	Whitetail Academy Charter School	At-Risk
Glenwood City	Transitional Skills Center	General/Liberal Arts
Grantsburg	Insight School of Wisconsin	Virtual
Green Lake	Green Lake Global & Environmental Learning Community	Environmental
Greendale	Time 4 Learning Charter School	General/Liberal Arts
Hayward	Hayward Center for Individualized Learning	General/Liberal Arts
Hayward	Waadookodaading Charter School	Language/International

<u>Chartering Authority</u>	<u>Charter School</u>	<u>School Type</u>
Holmen	Ventures Charter School	Project-Based
Hurley	Dr. Joseph Lalich Charter School	At-Risk
Janesville	CRES (Community Recovery Education Service)	Other-Recovery
Janesville	Janesville Academy for International Studies	Language/International
Janesville	Janesville Virtual Academy	Virtual
Janesville	Rock River Charter School	At-Risk
Janesville	TAGOS Leadership Academy	Project-Based
Kenosha	Brompton School	General/Liberal Arts
Kenosha	Dimensions of Learning Academy	General/Liberal Arts
Kenosha	Harborside Academy	General/Expeditionary Learning
Kenosha	Kenosha eSchool	Virtual
Kenosha	Kenosha School of Technology Enhanced Curriculum	Tech./Vocational
Kenosha	Paideia Charter School Academy	General/Liberal Arts
Kiel	Kiel eSchool	Virtual
Kiel	Meeme LEADS Charter School	Customized Educ. Prog.
Kimberly	Caring Opportunities for Recovery Education	Vocational
La Crosse	Coulee Montessori Charter School	Montessori
La Crosse	LaCrossroads Charter Schools	At-Risk
La Crosse	School of Technology & Arts	Technology/Arts
La Crosse	School of Technology & Arts II	Technology/Arts
Ladysmith-Hawkins	Health Care Academy	Tech./Vocational/Math/Science
Lena	LEARN	At-Risk
Lodi	Gibraltar Charter School	At-Risk
Madison	James C. Wright Middle School	General/Liberal Arts
Madison	Nuestro Mundo Community School	Language
Manitowoc	Manitowoc County Comprehensive Charter School	Other-Mental Health
Manitowoc	McKinley Academy	At-Risk
Marshall	Marshall Charter School	At-Risk
McFarland	Wisconsin Virtual Academy	Virtual
Medford	Rural Virtual Academy	Virtual
Mellen	Mellen Technology Charter School	Technology/Vocational
Menomonie	Lucas Charter School	At-Risk
Mercer	Mercer Environmental Tourism	Environmental/Tourism
Merrill	Merrill Adult Diploma Academy	At-Risk/Diploma Completion
Middleton-Cross Plains	Middleton Alternative High School	At-Risk
Milwaukee	Academia de Lenguaje y Bellas Arts	Language/Arts/Culture
Milwaukee	Advanced Language and Academic Studies	Language
Milwaukee	Audubon Technology & Communications Center High School	Technology/Vocational/Project-Based
Milwaukee	Audubon Technology & Communications Center Middle School	At-Risk
Milwaukee	Carmen High School of Science and Technology	Math/Science
Milwaukee	Community High School	New Vision Innocative
Milwaukee	Downtown Institute of Arts and Letters	Arts/Culture
Milwaukee	Fairview School	General/Liberal Arts
Milwaukee	Foster and Williams High School of the Visual	Project-Based
Milwaukee	Fritsche Middle School	General/Liberal Arts
Milwaukee	Highland Community School	Montessori
Milwaukee	Hmong American Peace Academy	Arts/Culture
Milwaukee	Honey Creek Continuous Progress School	General/Liberal Arts
Milwaukee	Humboldt Park K-8 School	Reading/Technology
Milwaukee	I.D.E.A.L. Charter School	General/Liberal Arts

<u>Chartering Authority</u>	<u>Charter School</u>	<u>School Type</u>
Milwaukee	International Peace Academy	Math/Science/Engineer
Milwaukee	James Madison Academic Campus	Arts/Culture/Math/Science
Milwaukee	Kosciuszko Montessori Middle	Montessori
Milwaukee	La Causa Charter School	Language/International
Milwaukee	Milwaukee Academy of Chinese Language	Language/International
Milwaukee	Milwaukee Learning Laboratory and Institute	Project-Based
Milwaukee	Milwaukee School of Entrepreneurship	At-Risk
Milwaukee	Montessori High School	Montessori
Milwaukee	Next Door Charter School	At-Risk
Milwaukee	Northern Star School	At-Risk
Milwaukee	Professional Learning Institute	Project-Based
Milwaukee	School for Urban Planning and Architecture	Project-Based
Milwaukee	The Alliance School	Arts/Culture
Milwaukee	Veritas High School	General/Liberal Arts
Milwaukee	W.E.B. Du Bois High School	Communications/Technology/Project-Based
Milwaukee	Westside Academy I & II	General/Liberal Arts
Milwaukee	Whittier Elementary School	General/Liberal Arts
Milwaukee	Wings Academy	At-Risk
Milwaukee	Wisconsin Career Academy	Math/Science
Milwaukee	WORK (Where Opportunities Require Knowledge) Inst.	Vocational/Career
Monona Grove	Monona Grove Alternative High School	At-Risk
Monroe	Monroe Alternative Charter School	At-Risk
Monroe	Monroe Virtual High School	Virtual
Monroe	Monroe Virtual Middle School	Virtual
Mukwonago	Eagleville Elementary Charter School	Environmental
Neenah	Alliance Charter Elementary	Montessori
Nekoosa	Niikuusra Community School	Project-Based/Language
New Lisbon	Juneau County Charter School	At-Risk
New London	School of Enterprise Marketing	Project-Based
New Richmond	NR4Kids Charter School Learning	Other-Early Learning
Northern Ozaukee	Wisconsin Virtual Learning	Virtual
Oak Creek/Franklin	Connects Learning Center	At-Risk
Oak Creek/Franklin	Early Learning Center	Early Learning
Oconto	Oconto Literacy Charter School	General/Literacy
Oconto Falls	Falls Alternative Learning Site	At-Risk
Oconto Falls	New Path Charter School	At-Risk
Oconto Falls	Spruce School	Environmental
Osceola	Osceola Charter Preschool	General/Liberal Arts
Oshkosh	ALPS Accelerated Alternative Learning Program	Gifted/Talented/At-Risk
Oshkosh	East High Charter School	At-Risk
Oshkosh	Franklin Key to Learning Charter School	General/Liberal Arts
Oshkosh	Jacob Shapiro Brain Based Instruct. Laboratory Sch.	General/Liberal Arts
Oshkosh	Merrill Elementary Healthy Living Charter	Other-Healthy Living
Oshkosh	Oakwood Environmental Education Charter School	Environmental
Portage	Portage Academy of Achievement	At-Risk
Portage	River Crossing Environmental Charter School	Environmental/Other/Project-Based
Racine	McKinley Middle Charter School	General/Liberal Arts
Racine	REAL School	At-Risk
Rhineland	Northwoods Community Elementary School	Project-Based
Rhineland	Northwoods Community Secondary School	Project-Based

<u>Chartering Authority</u>	<u>Charter School</u>	<u>School Type</u>
Rhinelanders	Rhinelanders Environmental Stewardship Academy	Environmental
Rice Lake	Barron County Alternative School	At-Risk
Ripon	Crossroads Charter School	Project-Based
Ripon	Ripon Exploration and Application Charter High School	At-Risk/Gen./L. Arts/Kinesthetic
River Falls	Renaissance Charter Alternative Academy	At-Risk
River Falls	River Falls Public Montessori Elementary	Montessori
Sauk Prairie	Merrimac Community Charter School	Project-Based
Sheboygan	A2 Charter School	Gifted/Talented
Sheboygan	Elementary School of the Arts and Academics	Arts/Culture
Sheboygan	George D. Warriner High School for Personalized Learning	Individualized Curriculum
Sheboygan	Lake Country Academy	Other-Direct Instr. Core Knowledge
Sheboygan	Northeast Wisconsin Montessori School	Montessori
Sheboygan	Riverview Academy Charter School	At-Risk
Sheboygan	The Etude School	Arts/Culture
Sheboygan	Washington School for Comprehensive Literacy	General/Liberal Arts
Shorewood	New Horizons for Learning	At-Risk
Sparta	Lakeview Montessori School	Montessori
Sparta	Sparta Area Independent Learning Charter School	At-Risk
Sparta	Sparta Charter Preschool	General/Liberal Arts
Sparta	Sparta High Point Charter School	At-Risk
Stevens Point	CARE (Concerned About Reaching Everyone)	At-Risk
Stevens Point	Jefferson School for the Arts	Arts/Culture
Stevens Point	McDill Academics	General/Liberal Arts
Stevens Point	McKinley Center	General/Liberal Arts
Stevens Point	Roosevelt IDEA School	Differentiated Instr./Academic
Stevens Point	Washington Service Learning Center	Service Learning
Stevens Point	Wisconsin River Academy	Environmental
Trevor-Wilmot	Bright Horizons Charter School	At-Risk
UW-Milwaukee	Bruce Guadalupe	General/Liberal Arts
UW-Milwaukee	Business and Economics Academy of Milwaukee	At-Risk
UW-Milwaukee	Capitol West Academy	At-Risk
UW-Milwaukee	Inland Seas School of Expeditionary Learning	Environmental
UW-Milwaukee	Milwaukee College Preparatory School	General/Liberal Arts
UW-Milwaukee	Milwaukee Renaissance Academy	College Prep
UW-Milwaukee	School for Early Development & Achievement	General/Liberal Arts
UW-Milwaukee	Seeds of Health Elementary School	General/Liberal Arts
UW-Milwaukee	Tenor High School	Other-Career Focus
UW-Milwaukee	Woodlands School	General/Liberal Arts
UW-Milwaukee	YMCA Young Leaders Academy	General/Liberal Arts
UW-Parkside	21st Century Preparatory School	General/Liberal Arts
Verona	Core Knowledge Charter School	General/Liberal Arts
Verona	New Century School	Math/Science
Viroqua	Laurel High School	General/Liberal Arts
Viroqua	Vernon County Better Futures High School	At-Risk
Waukesha	Harvey Philip Alternative Charter School	At-Risk
Waukesha	iQ Academics of Wisconsin	Virtual
Waukesha	Project Change Recovery School	At-Risk
Waukesha	Waukesha Academy of Health Professions	Science (Health Professionals)
Waukesha	Waukesha Engineering Preparatory Academy	Math/Science
Wausau	Enrich, Excel, Achieve Academy	At-Risk

<u>Chartering Authority</u>	<u>Charter School</u>	<u>School Type</u>
Wausau	New Horizons Charter School	At-Risk
Wausau	Wausau Area Montessori Charter School	Montessori
Wauwatosa	Tosa School of Health Science and Technology	Health/Science/Technology
Wauwatosa	Tosa School of the Trades	Vocational/Career
West De Pere	Phantom Knight School of Opportunity	At-Risk
Weyauwega-Fremont	Waupaca County Charter School	At-Risk
Whitnall	CORE 4	Early Learning
Winter	Pathways	General/Liberal Arts
Wisconsin Rapids	Central Cities Health Institute	Health Careers
Wisconsin Rapids	Mead Elementary School	Differentiated Service-Learning Community
Wisconsin Rapids	Vesper Elementary Charter School	Project-Based