

August 24, 2015

To: Charter School Operators and Authorizers

From: Lisa Geraghty, School Administration Consultant, School Management Services

Subject: Charter Law Changes Effective July 13, 2015

A number of changes were made to Wisconsin's charter school law under Act 55. The following provides a summary of these changes. Changes that apply to only independent charter schools and their authorizers can be found in the last section of this document. All other changes apply to every charter school, authorizer, and governing board in the state, including independent charter schools.

### **Provisions Affecting All Charter Schools and Authorizers**

**Charter school admissions:** Under Act 55, all charter schools entering into or renewing a contract after July 13, 2015, must specify in their contract that if the capacity of the charter school is insufficient to accept all pupils who apply, the charter school must accept pupils at random, with the following exceptions:

1. Schools would be required to give preference to pupils enrolled in the charter school in the prior year and their siblings.
2. Schools may give preference to children of the school's founders, governing board members, and full-time employees, but must limit the number of such children to no more than 10% of the charter school's total enrollment.

**New Authorizer Requirements:** In addition to the current law requirement to give preference in awarding contracts for the operation of charter schools serving children at risk, all charter school authorizers in the state must do all of the following:

1. Solicit and evaluate charter school applications.
2. Approve only high-quality charter school applications that meet identified educational needs and promote a diversity of educational choices.
3. Adhere to the principles and standards for quality charter schools established by NACSA (see below).
4. In accordance with the terms of the contract, monitor the performance and compliance with §118.40, Wis. Stats., of each charter school with which it contracts.
5. Annually, submit to the state superintendent and to the legislature a report that includes the following for each charter school under contract with it: (a) an identification of each operating, revoked, non-renewed, closed and developing charter school; (b) the academic and financial performance of each charter school; (c) the operating costs incurred related to points 1-5, detailed in an audited financial

statement: and (4) an itemized accounting of the cost of services provided by the authorizer to charter schools under contract.

For contracts entered into, renewed, or modified after July 13, 2015, the authorizing entity must adhere to the principles and standards for quality charter schools established by the National Association of Charter School Authorizers (NACSA). The NACSA principles and standards can be found at <http://www.qualitycharters.org/authorizer-quality/overview.html>

The department will provide additional guidance, including updated contract review benchmarks at a later date. In the meantime, all authorizers are strongly encouraged to submit draft contracts for DPI review before they are signed by the parties so that any discrepancies can be addressed before a contract goes into effect.

**New Governance Board Requirements:** Governance board duties and powers are modified under Act 55. Under the new provisions, each charter school must be governed by a governing board that is a party to the contract with the authorizing entity. Effective September 1, 2015, no more than a minority of the governing board's members can be employees of the school or employees or officers of the school district. In addition, subject to the terms of its contract, Act 55 specifies that a charter school governance board has all the powers necessary to carry out the terms of its contract, including all of the following:

1. To receive and disburse funds for school purposes.
2. To secure appropriate insurance.
3. To enter into contracts, including contracts with a University of Wisconsin institution or college campus, technical college district board, or private college or university, for technical or financial assistance, academic support, curriculum review, or other services.
4. To incur debt in reasonable anticipation of the receipt of funds.
5. To pledge, assign, or encumber its assets to be used as collateral for loans or extensions of credit.
6. To solicit and accept gifts or grants for school purposes.
7. To acquire real property for its use.
8. To sue and be sued in its own name.

## Provisions Affecting Independent Charter School Authorizers

**New Independent Authorizer Requirements:** Five new independent authorizers are created under Act 55. All independent authorizers shall notify the state superintendent of their intention to establish a charter school by February 1 of the previous school year. Independent authorizers and limits, if any, on school location and pupil residency are listed below.

<b>Charter Authorizer *New</b>	<b>School Location</b>	<b>Pupil Residency</b>	<b>Number of Charter Schools</b>
City of Milwaukee (2r)	Statewide	Statewide	Unlimited
UW-Milwaukee (2r)	Statewide	Statewide	Unlimited
UW-Parkside (2r)	Statewide	Statewide	Unlimited
MATC (2r)	Statewide	Statewide	Unlimited
*Gateway Technical College (2r)	Racine, Kenosha, Walworth (only high school grades and provides curriculum focused on STEM or occupational education and training)	Racine, Kenosha, Walworth, Milwaukee, Waukesha, Jefferson, Rock	Unlimited
*Waukesha County Executive (2r)	Waukesha County	Statewide	Unlimited
*College of Menominee Nation (2r)	Statewide	Statewide	No more than 6 schools between these two authorizers
*Lac Courte Orielles Ojibwa Community College (2r)	Statewide	Statewide	
*Office of Educational Opportunity (UW System) (2x)	In districts with over 25,000 pupils	Statewide	Unlimited

Independent authorizers may not establish a virtual charter school.

Contracts for independent charter schools authorized under § 118.40(2r) Wis. Stats., and authorized by the Office of Educational Opportunity under § 118.40(2x) Wis. Stats., entered into or renewed after July 13, 2015 must include:

1. The specified annual academic and operational performance standards developed in accordance with the performance framework of the entity with which it is contracting.
2. A description of the corrective measures the charter school governing board will take if the charter school fails to meet performance standards.
3. A provision allowing the governing board to open one or more additional charter schools if all of the charter schools operated by the governing board were assigned to one of the top 2 performance categories in the most recent school year. **(2r charter schools only)**
4. A requirement that if more than one charter school is operated under the contract, the charter school governing board reports to the authorizer on each school separately. **(2r charter schools only)**
5. The methodology that will be used by the governing board to monitor and verify pupil

- enrollment, credit accrual and course completion.
6. A statement that the authorizer will have direct access to pupil data.
  7. A statement that the governing board shall provide data needed for the authorizer to complete its annual report under §118.40(3m)(a)6.
  8. A description of the administrative relationship between the parties.
  9. A statement that the governing board will hold parent-teacher conferences at least annually.
  10. A statement that the governing board will participate in any training provided by the authorizer.
  11. A description of all fees that the authorizer will charge the governing board.

Board of Regents approval is no longer statutorily required for charter schools authorized by UW-Milwaukee and UW-Parkside.

**Pupil Transportation:** Act 55 provides allows an operators of independent charter schools to claim state aid for providing transportation to students. For more information on this provision, please see the following website: [http://sfs.dpi.wi.gov/sfs\\_pupiltran1](http://sfs.dpi.wi.gov/sfs_pupiltran1)

### **Independent Charter School Payments:**

Payment Amounts: The 2015-16 payment for students attending independent charter schools (ICS) is \$8,079, an increase of \$4 from 2014-15. The payment indexing mechanism for ICS was not changed under Act 55. The payment amount for students attending an ICS authorized by the College of Menominee Nation and the Lac Courte Oreilles Ojibwa Community College differs from the other ICS and will be equal to the per pupil academic base funding providing to tribal schools by the Bureau of Indian Education in the previous school year.

ISC Funding: Act 55 created a new funding method for ICS authorized by the five new authorizers listed above starting in the 2016-17 school year. For students attending an ICS authorized by one of the new five independent authorizers, the students will be counted by the district of residence for revenue limits and general school aids. The department is required to reduce a district's general aid (and categorical aids if necessary) in an amount equal to the charter school per pupil payments of its resident students. A district will not be able to levy to backfill this aid reduction.

Payments for students attending ICS authorized by UW-Milwaukee, City of Milwaukee, or MATC will continue to be funded with a proportional reduction of general school aid from each school district in the state.

If you have additional questions, please contact me by telephone at (608) 266-5728, or by email at [elisabeth.geraghty@dpi.wi.gov](mailto:elisabeth.geraghty@dpi.wi.gov).