



INDEPENDENT CHARTER SCHOOL EXPANSION & CURBS ON SCHOOL BOARDS' AUTHORITY ISSUE PAPER/TALKING POINTS

WASB Positions:

- **Remove the proposal to create a state Charter School Oversight Board from the budget bill and debate it as separate legislation.**
- **Remove the proposal to strip school boards' authority over instrumentality charter schools from the budget bill and debate it as separate legislation.**

Background

Under current law, school boards may enter into contracts with individuals, groups, businesses, or governmental bodies to establish charter schools, which operate with fewer constraints than traditional public schools. Current law also permits UW–Milwaukee, UW–Parkside, the Milwaukee Area Technical College, and the city of Milwaukee to operate what are known as “independent” charter schools directly or to contract for the operation of independent charter schools. School boards are not involved in the creation of independent charter schools, hence the name.

When authorizing a charter school, a school board may determine whether the charter school is to be an instrumentality of the school district in which it is located. If the board deems it an instrumentality, the district employs all personnel for the charter school. If the board determines the charter school is not an instrumentality, the personnel are considered employees of the charter school and not employees of the school district.

Overview of Provisions in Proposed State Budget

The proposed 2013-15 state Budget (2013 Assembly Bill 40) would greatly expand independent charter schools through the following proposals:

- Create a state-level Charter School Oversight Board (CSOB), attached to DPI, and authorizes it to approve nonprofit, nonsectarian organizations, or consortia of such organizations, to contract with persons to operate independent charter schools (The CSOB would be dominated by political appointees and board would contract directly with these nonprofit, nonsectarian organizations or consortia, completely bypassing local school boards. The CSOB would be prohibited from promulgating administrative rules.);
- Require that every contract between an authorizing entity and an independent charter school's governing board must allow the authorizing entity (e.g., CSOB) to charge a fee.

(d) Charter schools are required to maintain health and safety standards for pupils and staff, operate as nonsectarian entities, and be open to all district students without charge for tuition regardless of ethnicity, national origin, gender, or disability.

- The WASB opposes initiatives to allow additional entities to authorize independent charter schools.

Oppose Creation of a Charter School Oversight Board (CSOB),

- The WASB strongly opposes creating an unelected board (CSOB) in Madison empowered to decide where independent charter schools can open and who can open them.
- The organizations or consortia authorized to operate independent charter schools could (and likely will) contract with for-profit charter management organizations to manage the day-to-day operation of many of the new independent charters.
- Because these organizations or consortia would be required to pay a fee to the state CSOB, the proposal creates a built-in incentive for the CSOB to approve more and more independent charter schools.
- Independent charter schools are funded from a first draw on the general aid appropriation. The per pupil payments made to independent charter schools are taken general aids before any money is districted to public school districts. As a result, two things will happen:
 - State aid will be transferred away from students in the property poorest school districts in the state to support independent charter schools, that are likely to be located largely in urban areas where the larger student populations make it attractive to open new charter schools; and
 - The CSOB would be able to authorize independent charters schools anywhere in the state. The independent charter schools authorized by this proposed state board will siphon state education dollars from all local school districts regardless of where the independent charter schools are located, causing many school boards to have to raise local school property taxes to make up for the lost aid. Taxpayers in school districts remote from independent charter schools authorized by this new state board will end up paying higher property taxes because of the drain on state general aid created by independent charter schools located far outside their local school district.
- The draining of resources from public school districts will grow worse because the budget proposes increasing per pupil payment to independent charter schools by 1 percent in each year, from \$7,775 in the current year to \$7,852 for the 2013-14 school year and \$7,931 in the 2014-15 school year.
- The proposed CSOB will be unaccountable to local voters and will create “taxation without representation.” Even if a small or rural school district board does not authorize any of its students to attend an independent school created by the CSOB, taxpayers in the school district will end up paying higher property taxes because of the drain on state aid created by independent charter schools located far outside their local school district. Those taxpayers will have no ability to prevent the creation of independent charter schools from raising their local school taxes.

For every additional 1,000 pupils enrolling in independent charter schools, \$7,775,000 will be taken annually from general equalization school aids sent to school districts. Under revenue limits, the effect of removing this money from general equalization aid is a potential