



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #555

### **Open Enrollment Program -- Timelines and Requirements and Alternative Procedure (DPI -- Choice, Charter, and Open Enrollment)**

[LFB 2011-13 Budget Summary: Page 348, #12; Page 363, #13; and Page 365, #14]

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#### **CURRENT LAW**

Under the open enrollment program, a pupil may attend a public school located outside his or her school district of residence, if the pupil's parent or guardian complies with certain application dates and procedures. Statutes specify the timelines for various actions parents, resident districts, and nonresident districts must take under open enrollment.

The resident district counts a pupil transferring to another district under open enrollment in its pupil membership for revenue limits and general aids. A specified amount of state aid is then transferred from the resident district to the nonresident district for each open enrollment pupil. DPI is required to annually determine a per pupil transfer amount 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 \$6,665. A school district's equalization aid is increased or decreased by an amount equal to the per pupil transfer amount multiplied by the district's net gain or loss of pupils under the open enrollment program. DPI is required to ensure that the aid adjustment between districts does not affect the amount of equalization aid determined to be received by a district for any other purposes.

State aid adjustments are not considered in determining a district's revenue limit. In other words, a district that has a net gain in pupils under open enrollment would receive a net positive aid transfer that would not be included in that district's revenues that are subject to its revenue limit. A district with a net loss of pupils would experience a net negative aid transfer and would not be able to increase its property tax levy to compensate for the aid loss.

## **GOVERNOR**

Generally, modify the timelines and procedures for the current law open enrollment program. Expand the period during which parents may apply under the program from a three-week period in February to an approximately three-month period from February to April. Move the various procedural deadlines for the resident and nonresident districts and parents after the applications are submitted forward to accommodate the longer application period, but end the process only approximately a week later than under current law. Create new requirements under the current law program related to the provision, if applicable, of disciplinary records, individualized education programs, and special education cost estimates between the resident and nonresident districts.

Create an alternative procedure under which a certain pupils may attend a nonresident district under open enrollment in an expedited manner at any point in the school year if certain criteria are met. To attend under this expedited process, a pupil must meet one of the following criteria: (a) the pupil has been the victim of a violent criminal offense; (b) the pupil is or has been a homeless pupil in the current or immediately preceding school year; (c) the pupil has been the victim of repeated bullying or harassment; (d) the place of residence of the pupil's parent and of the pupil has changed as a result of military orders; (e) the pupil has moved into the state; (f) the place of residence of the pupil has changed as a result of a court order or custody agreement or because the pupil was placed in a foster home or with a person other than the pupil's parent, or removed from a foster home or from the home of a person other than the pupil's parent; or (g) the parent of the pupil and the nonresident district agree that attending school in the nonresident district is in the best interests of the pupil.

Related to this alternative procedure, create a new revenue limit adjustment related to open enrollment pupils that are not included in a resident district's third Friday of September count date for revenue limits. Specify that the adjustment would be equal to the amount of any open enrollment aid transfer in the previous year for a pupil who was not included in the district's enrollment for the revenue limit calculation in the previous year.

## **DISCUSSION POINTS**

1. The open enrollment provisions in the budget bill have been addressed by both the Senate and the Assembly. On February 2, the Senate passed Senate Bill 2, as amended by Senate Amendments 1, 2 (as amended by SA 2 to SA 2), and 3, by a vote of 20-11. On February 16, the bill was printed engrossed by the direction of the Assembly Chief Clerk. The open enrollment provisions of the budget bill are identical to the provisions of Engrossed SB 2.

2. On May 17, the Assembly approved Engrossed SB 2, as amended by Assembly Amendments 2 and 3, by a vote of (60-35).

- AA 2 would move the statutory date by which a school board must give a teacher written notice of renewal or nonrenewal of the teacher's contract for the ensuing school year, or by which a contract renews if no notice is given, from March 15 to May 15. It would also move the date by which a teacher who has received notice of renewal or who has not received notice of

renewal or nonrenewal to accept or reject the contract from April 15 to June 15.

- AA 3 would modify the criterion under the alternative procedure under which a pupil would qualify if the parent of the pupil and the nonresident district agree that attending school in the nonresident district is in the best interests of the pupil to require that the resident school district also agree that such action would be in the pupil's best interest.

3. The Committee could choose to include the provisions adopted by either the Senate or the Assembly in the budget bill. Alternatively, the Committee could also choose to delete the provisions from the budget bill and allow any modifications to the open enrollment program to be determined in the steps of the legislative process that remain on SB 2.

## **ALTERNATIVES**

1. Approve the Governor's recommendation (consistent with Senate action under the provisions of Engrossed SB 2) to: (a) modify the timelines and requirements for the current open enrollment program; (b) create a new procedure under which a pupil may attend a public school in a nonresident school district under open enrollment in an expedited manner if certain criteria are met; and (c) create a new revenue limit adjustment related to certain pupils in the alternative procedure.

2. Modify the Governor's recommendations, consistent with Assembly action on SB 2, to:

- move the statutory date by which a school board must give teachers notice of renewal or nonrenewal from March 15 to May 15 and move the statutory date by which a teacher must accept or reject a contract from April 15 to June 15 (as provided under AA 2 to Engrossed SB 2); and

- require a resident district (as well as the pupil's parent and the nonresident district) to agree it would be in the best interests of the pupil to attend the nonresident district under the alternative procedure (as provided under AA 3 to Engrossed SB 2)

3. Delete provision.

Prepared by: Russ Kava