



Charter Schools

Prepared by: Emily Hicks, Staff Attorney, and Peggy Hurley, Senior Staff Attorney

Charter schools are schools operated according to a contract, known as a “charter,” between the charter school and a school board or another authorizing entity. The terms of the charters vary, but charter schools generally receive public funding, but are exempt from many state laws that apply to traditional public schools. According to Wisconsin’s Department of Public Instruction (DPI), charter schools were established in Wisconsin to “foster an environment for innovation and parental choice” and are intended to “exist as living laboratories that influence the larger public school system and introduce an element of competition within that system.”¹

Wisconsin passed the first charter school legislation in 1993, which limited charters to 20 schools statewide. The limit was later removed, and 240 charter schools are operating in Wisconsin as of the 2022-23 school year.

SCHOOL BOARD CHARTERS AND INDEPENDENT CHARTERS

As originally introduced in Wisconsin, only school boards could authorize the creation of charter schools; these schools are commonly referred to as school board charter schools. Subsequent legislation authorized additional entities to create charter schools; these schools are commonly referred to as independent charter schools.

School Board Charters

A school board may create a charter school on its own initiative or after receiving a petition from teachers in the district. If the school board acts on its own initiative, the board contracts with an entity of its choice to operate the charter school. If the school board receives a teacher petition, it must hold a public hearing and either grant or deny the request to create a charter school. Petitioners may appeal a denial to DPI. If the petition to establish a charter school is approved, the school board must contract with the entity named in the petition. Generally, school boards determine whether a school board charter school is an “instrumentality” or a “non-instrumentality” of the district. In an “instrumentality” school, the charter school personnel are employees of the school district. In a “non-instrumentality” school, the district does not directly employ the personnel. [s. 118.40 (1m), (2), and (7), Stats.]

Independent Charters

In addition to a school board, several specified entities may create a charter school. State law originally authorized only the City of Milwaukee, UW-Milwaukee, UW-Parkside, and MATC to create a charter school. Subsequent legislation expanded the authority to include the Waukesha County executive, any University of Wisconsin (UW) institution, any technical college district board, certain Native American tribal colleges, and the Office of Educational Opportunity in the UW System. [s. 118.40 (1m) and (2m) to (2x), Stats.]

STATUTORY REQUIREMENTS AND ACCOUNTABILITY

Charter schools are generally exempt from requirements in chs. 115 to 121, Stats., unless the language of a particular provision specifically applies to such schools. The statutes prohibit charter schools from charging tuition and from discriminating in admissions or program participation on the basis of sex (unless the school is designated as a single-sex school and equal opportunities are afforded to students of the opposite sex), race, religion, national origin, ancestry, pregnancy, marital or parental status, sexual orientation, or disability.

Charter schools or their authorizing board or entity are subject to certain statutory requirements, including:

- Complying with health and safety requirements applicable to traditional public schools.
- Requiring teachers to hold a DPI-issued license or permit.
- Administering statewide assessments to students.
- Approving only high-quality charter school applications that meet identified educational needs and promote a diversity of educational choices.
- Giving preference in charter contracts to charter schools serving children-at-risk.

State law limits charter school contracts to renewable five-year terms, and identifies bases for a school board or authorizing entity to revoke a school's charter, including violation of the contract, failure of charter students to make sufficient progress attaining educational goals, or failure to comply with generally accepted accounting standards of fiscal management. [ss. 118.30 (1m) and (1r), and 118.40 (2r) (b) and (d), (3) (b), (3m), (4) (ar) and (b), (5), and (7) (b), Stats.]

FUNDING FOR CHARTER SCHOOLS

State funding differs depending on whether a charter school is a school board charter school or an independent charter school, and on which authorizing entity created the independent charter school. Students in school district charter schools are funded like any other student attending a school within the district.

School districts generally receive funding under the statutory school aid formula. Charter school students are counted in the school district's membership for purposes of revenue limits and equalization aid, and the contract costs for authorizing charter schools are eligible for cost-sharing under the equalization aid formula. School boards establish, in each charter contract, how much money per pupil the district will pay to the charter school.

Independent charter schools receive per-pupil funding in a similar manner, but their effect on the school finance system depends on which entity authorized the school. All independent charter schools receive payments of \$9,264 per student in the 2022-23 school year. Independent charter schools created by one of the original authorizers – the City of Milwaukee, UW Milwaukee, UW Parkside, or MATC – are entirely state funded; there is no reduction to general school aid to traditional public schools to fund these independent charter schools.

Unlike students who attend a charter school created by one of the original independent charter school authorizers, students attending a school created by other charter authorizers are counted for revenue limit and general aid purposes by the resident school district. To provide funding for these students, the general school aid available to a particular school district will be reduced based on students who live within the district but attend one of these independent charter schools. A school district's general aid payment will be reduced by the same amount that is paid to the independent charter schools. School districts are not allowed to increase tax levies to make up for the reduced funding. [s. 118.40 (2r) (e) to (g) and (2x) (e) and (f), Stats.]

¹ Wisconsin Department of Public Instruction [web page on charter schools](#).