

**December 18, 2013**  
**Assembly Committee on Education**

**Department of Public Instruction**  
**Testimony on 2013 Assembly Bill 126**

I want to thank Chairman Kestell and members of the committee for the opportunity to testify before you today. My name is Jennifer Kammerud and I am the legislative liaison at the Department of Public Instruction (DPI). I am here today on behalf of State Superintendent Tony Evers to testify in opposition to Assembly Substitute Amendment 3 (ASA 3) to Assembly Bill 126.

One of the major concerns the department had with the original bill is that it placed a mandate upon locally-elected school board officials and other authorized entities to amend their existing contract or enter into a new contract to create a school. Nowhere in state history had the legislature required a school board to create another school, charter or traditional, under its authority and stripped locally-elected officials of their ability to make such a decision on their own.

The amendment removes the school board related provisions and instead focuses solely on the requirement that charter schools with a proven track record of success, and authorized by the University of Wisconsin at Milwaukee, City of Milwaukee, and Milwaukee Area Technical College, be given automatic replication rights.

There are still, however, two significant questions that remain unanswered. One is the impact this change will have over time on funding for all the school districts in the state and the other is how the calculation of a track record of success will be done to meet the threshold established in the amendment.

For nearly 15 years, the state's method of paying for students enrolled in non-school board authorized charter schools has been to not only fund such charter schools by reducing nearly every school district's state general aid entitlement but to also not allow school districts (currently the Milwaukee and Racine school districts in which these students reside) to count these students for state general aid or revenue limit purposes.

Based on the 2013-15 biennial budget bill (Act 20), the state reduced nearly all school districts' 2013-14 state general aid by nearly 1.5 percent of their entitlement, which totaled over \$64 million to pay for the 8,100 students attending non-school district authorized charter schools in Milwaukee and Racine this year. School districts are allowed to replace this lost general aid with property taxes under their revenue limit. Ultimately, nearly all school boards choose to raise additional property taxes, instead of cutting their own existing school programs or laying off staff.

This \$64 million reduction in state general school aids this year and estimated increase in property tax levies represented approximately 1.4% of all gross school property taxes statewide this fall.

Turning to the question of how a proven track record of success is established, there are some significant questions surrounding the calculation and how the state is to treat it.

- The amendment requires a calculation comparing the charter school to the school district in which it is located. Who is doing this calculation? Is it DPI, the charter school applying for replication, or the school district? There is no language directing DPI to do the application.
- If there isn't one entity doing the calculation, how can the state be assured the calculation is being done consistently?
- The bill requires the school district comparison to include all schools operated by the school district. Does the legislature intend the school district number to include noninstrumentality charter schools authorized by the school district where the employees are not school district employees? What about instrumentality charters that are run by governing councils but the employees are school district employees?
- Are only students who are enrolled for the full academic year in school included for both the charter and the district?
- What about cell sizes? Is there a point at which the group is too small to compare and thus automatic replication doesn't apply?
- How is the state to treat replicated charters for purposes of accountability?

A high quality education for every child is our shared mutual goal. We need to confront how we are funding independent charter schools before we look at expanding them. On behalf of the state superintendent I thank you for the opportunity to testify before you today and at this point I would be happy to answer any questions you may have.