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CHARTER SCHOOL PROGRAM

The charter school program was created in 1993 to provide educational alternatives to students in kindergarten through twelfth grade. Charter schools, which are publicly funded, nonsectarian, tuition-free schools established by contract between a public entity and school operators, are exempt from most state public school regulations. They serve both students at risk of failing or dropping out of school and those seeking a general education. School boards and other entities authorized to establish charter schools are responsible for holding the schools' operators accountable for providing quality education. During the 1997-98 school year, 18 charter schools in 14 school districts enrolled 1,472 students and spent approximately \$7.4 million.

Charter Schools Resemble Other District Schools

School boards established most charter schools to take advantage of their exemption from education regulations. In general, charter schools' curricula and administrative policies did not differ significantly from those of other schools in their districts. Nevertheless, the charter school program has provided districts with important advantages, including the ability to provide a wide range of instruction with a limited number of staff. In addition, it appears likely that many districts would not have created charter schools and offered the educational options they provide without the impetus provided by the charter school program. Finally, the program has allowed districts to institute educational approaches that have been shown to be effective in other district schools.

Charter Schools Receive Equitable Funding

Complete budget and expenditure information is not available for most charter schools because school districts' budgeting and cost accounting systems typically do not reflect total costs incurred by individual schools. However, available information indicates general education charter schools spent an average of \$4,458 per enrolled pupil during the 1997-98 school year, compared to \$4,918 per pupil for all schools in their districts. Charter schools serving students at risk of failing or dropping out spent \$5,966 per pupil, which reflects the higher cost associated with educating children who require greater attention and special services in order to be successful in school.

School Boards Could Do More to Enhance Charter School Operations

Although statutes require charter contracts to address a number of provisions, school boards have not consistently required their charter schools to adhere to these provisions. For example, 14 contracts do not explain how the schools plan to achieve enrollments that reflect the racial and ethnic balance of their districts, and six of ten general education charter schools admitted students on a first-come, first-served basis rather than through random lotteries, as required by federal regulations. We have identified a number of practices, ranging from enhanced cost accounting to better measurement of student performance, that could both increase the likelihood of charter schools operating as intended and provide parents, the Legislature, and the public with better information.

Several Outstanding Issues Will Affect Charter Schools in the Future

A number of legal disputes have hindered expansion of the charter school program. Perhaps the most significant is a disagreement between the Department of Public Instruction and the City of Milwaukee about who is responsible for providing special education services. As a result of this dispute, one school whose charter contract was approved by the city declined to participate in the program, and three other schools have accepted less per pupil funding than they would

have otherwise received.

In addition, charter schools' exemption from most education regulations could have unintended consequences. Charter school staff are not required to undergo criminal background investigations that identify individuals who could potentially threaten students' safety. The Legislature may also wish to consider requiring all charter schools to administer the high school graduation test starting in 2000-01 as one means of better assessing student performance.

Finally, general education charter schools compete with other district schools for students and resources. During the 1997-98 school year, they accounted for only 0.6 percent of their districts' total enrollments, which is too few students to have had a significant effect on other district schools. However, if charter schools that are more independent of school districts open in the future, especially in Milwaukee, these schools may compete for significant numbers of students and resources.

If the Legislature believes that fostering competition is an important goal of the charter school program, it could consider expanding the program to allow University of Wisconsin campuses and technical colleges statewide, as well as the Department of Public Instruction, to establish charter schools.

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