



2023 ASSEMBLY BILL 688

November 27, 2023 - Introduced by Representatives SCHUTT, DITTRICH, GOEBEN, BALDEH, ROZAR, O'CONNOR, RETTINGER, BRANDTJEN and BEHNKE, cosponsored by Senators JAGLER, BALLWEG, STROEBEL, MARKLEIN and NASS. Referred to Committee on Education.

1 **AN ACT to repeal** 118.40 (2r) (g), 118.40 (2x) (f) and 121.07 (2) (d) and (f); and **to**
2 **amend** 121.085 and 121.90 (1) (g) of the statutes; **relating to:** reductions to
3 state aid paid to school districts for payments to certain independent charter
4 schools.

Analysis by the Legislative Reference Bureau

This bill repeals reductions to state aid paid to school districts for per pupil payments to independent charter schools authorized by the Office of Educational Opportunity in the UW System, the chancellor of an institution in the UW System other than the UW-Milwaukee or UW-Parkside, a technical college district board other than the Milwaukee area technical college district board, the county executive of Waukesha County, the college of Menominee Nation, or the Lac Courte Oreilles Ojibwa community college (a “new charter school authorizer”).

Under current law, per pupil payments to an independent charter school authorized by a new charter school authorizer are paid from sum sufficient appropriations, ensuring that full payments are made to independent charter schools. Current law also requires DPI to reduce each school district’s equalization aid by an amount equal to the total per pupil payments paid to these independent charter schools that are attributable to pupils residing in that school district. If a school district does not receive equalization aid sufficient to cover the aid reduction, the balance is reduced from other state aid received by the school district. These aid reductions are deposited in the general fund. In general, these reductions reimburse

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the general fund for per pupil payments made to independent charter schools that are authorized by new charter school authorizers.

The bill eliminates reductions to equalization aid for per pupil payments made to these independent charter schools beginning in the 2024-25 school year. The 2021-23 biennial budget eliminated reductions to equalization aid for payments made to independent charter schools authorized by the City of Milwaukee, the chancellor of UW-Milwaukee, the chancellor of UW-Parkside, or the Milwaukee area technical college district board, also known as legacy charter school authorizers.

Under current law, a pupil for whom a per pupil payment was made to an independent charter school authorized by a new charter school authorizer in the previous year is included in the pupil's resident school district's membership for purposes of calculating general state aids. A school district's membership in the previous school year is a factor used to calculate equalization aid. Additionally, under current law, pupils attending an independent charter school authorized by a new charter school authorizer are included in their resident school district's pupil count for purposes of calculating revenue limits.

The bill repeals both of these provisions. Under the bill, a pupil attending an independent charter school authorized by a new charter school authorizer is not included in the pupil's resident school district membership beginning in the 2025-26 school year and is not counted as enrolled in the pupil's resident school district for purposes of revenue limits beginning in the 2024-25 school year.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 118.40 (2r) (g) of the statutes is repealed.

2 **SECTION 2.** 118.40 (2x) (f) of the statutes is repealed.

3 **SECTION 3.** 121.07 (2) (d) and (f) of the statutes are repealed.

4 **SECTION 4.** 121.085 of the statutes is amended to read:

5 **121.085 State aid; other reductions. (1)** The department shall make state
6 aid adjustments under s. 118.51 (16) and (17) before making a reduction under s.
7 115.7915 (4m) (f), ~~118.40 (2r) (g) or (2x) (f)~~, or 118.60 (4d) (b).

8 **(2)** For purposes of ss. 115.7915 (4m) (f) 2., ~~118.40 (2r) (g) 2. and (2x) (f) 2.~~, and
9 118.60 (4d) (b) 2., a school district's aid under s. 121.08 is insufficient to cover a
10 reduction if, after making state aid adjustments under s. 118.51 (16) and (17), the

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1 amount of the school district's aid under s. 121.08 is insufficient to cover all of the
2 reductions under ss. 115.7915 (4m) (f) 1., ~~118.40 (2r) (g) 1. and (2x) (f) 1.~~, and 118.60
3 (4d) (b) 1.

4 **(3)** The state superintendent shall ensure that the aid reductions under ss.
5 115.7915 (4m) (f) 1., ~~118.40 (2r) (g) 1. and (2x) (f) 1.~~, and 118.60 (4d) (b) 1. lapse to the
6 general fund.

7 **SECTION 5.** 121.90 (1) (g) of the statutes is amended to read:

8 121.90 (1) (g) ~~In Beginning in the 2017-18 school year and in each ending in~~
9 ~~the 2023-24~~ school year thereafter, the "number of pupils enrolled" shall include the
10 total number of pupils residing in the school district who on the 3rd Friday of
11 September of each appropriate school year attend a charter school established under
12 a contract with an entity under s. 118.40 (2r) (b) 1. e. to h. or a charter school
13 established under a contract with the director under s. 118.40 (2x).

14 **SECTION 6. Initial applicability.**

15 (1) The treatment of s. 118.40 (2r) (g) and (2x) (f) first applies to state aid paid
16 in the 2024-25 school year.

17 **SECTION 7. Effective dates.** This act takes effect on the day after publication,
18 except as follows:

19 (1) The treatment of s. 121.07 (2) (d) and (f) takes effect on July 1, 2025.

20 **(END)**