



New Charter Schools Move Forward As DPI Awards Charter School Grants

On August 7, 2014, the Wisconsin Department of Public Instruction (DPI) announced grant awards to 51 charter schools for the 2014-2015 school year. The grants are funded by a large federal charter school grant that Wisconsin received in 2009 and are broken into different categories dependent on the charter schools' stages of operation. This FYI focuses on new grantees and the issues that they will want to consider as they move forward in developing their charter schools.

Important Issues

1. Organizing the governance board as a non-stock corporation.

Governance boards of charter school planning grantees face a December deadline for becoming non-stock corporations under chapter 181 of the Wisconsin Statutes. DPI sees this organizational structure as an advantage for charter school governance boards because such non stock corporations have perpetual existence, operate with independence, and have the legal authority to enter into contracts, such as charter contracts. To organize as a non-stock, governance boards will need to file articles of incorporation with the Wisconsin Department of Financial Institutions and enact bylaws that govern the operation of the board.

2. Drafting charter contracts.

In drafting charter contracts, governance boards and districts should pay close attention to the state charter school law (Wis. Stat. s. 118.40), which requires that all charter contracts include the fifteen elements listed in the statute and specify the amount to be paid to the charter school during each year of the contract. This includes contract provisions specifying the methods used to meet educational goals, provisions to ensure parental involvement, the means to achieve a racial and ethnic balance, the requirements for admission, the qualifications necessary for teachers, and the procedures for disciplining students.

Virtual charter schools should pay close attention to Wis. Stat. s. 118.40(8), which sets forth specific provisions unique to those schools, including required days and hours, staff duties, and licensure of teachers.

3. Seeking tax-exempt status.

Finally, as independent non-stock corporations, governance boards may seek federal tax exempt status for purposes of autonomy and independent fundraising. This is done by filing a Form 1023 with the Internal Revenue Service.

Final Thoughts

According to the DPI website, this is the final year of the grant awarded in 2009. DPI will not conduct a grant competition during the spring of 2015, but will apply to the U.S. Department of Education in 2015 for a new charter school grant. If Wisconsin receives another federal grant, DPI will notify districts and charter schools of future application deadlines and grant amounts.

■ David P. Weller

(608) 286-7235

■ M. Tess O'Brien-Heinzen

(608) 283-1798

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