

# State of Wisconsin



2017 Senate Bill 293

Date of enactment: **July 19, 2017**  
Date of publication\*: **July 20, 2017**

## 2017 WISCONSIN ACT 36

AN ACT *to repeal* 118.60 (2) (a) 2m., 118.60 (2) (ag) 3., 118.60 (3) (ar) 3. a. and am., 118.60 (6m) (b) 1. and 2., 118.60 (6m) (b) 4., 118.60 (7) (a), 118.60 (7) (ao), 118.60 (7) (d) 2., 118.60 (10) (a) 4., 119.23 (2) (ag) 3., 119.23 (6m) (b) 1. and 2., 119.23 (6m) (b) 4., 119.23 (7) (a), 119.23 (7) (ao), 119.23 (7) (d) 2. and 119.23 (10) (a) 4.; *to renumber* 115.7915 (4) (a) 1.; *to renumber and amend* 115.7915 (4) (a) 2., 115.7915 (4) (b), 118.60 (2) (a) 3g. and 119.23 (2) (a) 3g.; *to consolidate, renumber and amend* 118.60 (3) (ar) 3. (intro.) and b.; *to amend* 20.255 (1) (j), 115.77 (1m) (bg), 115.7915 (2) (c), 115.7915 (2) (f), 115.7915 (2) (h), 115.7915 (3) (c), 115.7915 (5) (b), 115.7915 (6) (e), 115.7915 (8) (a) 1., 118.225 (intro.), 118.30 (1s) (intro.), 118.30 (1s) (d), 118.30 (1t) (intro.), 118.30 (1t) (d), 118.30 (2) (c), 118.56 (1), 118.60 (1) (ab), 118.60 (2) (a) 1. a., 118.60 (2) (a) 1. b., 118.60 (2) (a) 2. (intro.), 118.60 (2) (a) 2. a., 118.60 (2) (a) 2. c., 118.60 (2) (a) 8., 118.60 (2) (ag) 2. a., 118.60 (3) (a) (intro.), 118.60 (3) (a) 1m., 118.60 (3) (ar) 1., 118.60 (3) (ar) 2., 118.60 (3) (ar) 4., 118.60 (3) (c), 118.60 (4) (a), 118.60 (6m) (b) (intro.), 118.60 (6m) (c), 118.60 (7) (am) 2m. a., 118.60 (7) (an) 1., 118.60 (7) (d) (intro.), 118.60 (7) (em) 1., 118.60 (10) (a) 1., 118.60 (10) (a) 5., 118.60 (10) (a) 6., 119.23 (1) (ab) 1., 119.23 (2) (a) 1. b., 119.23 (2) (a) 1. d., 119.23 (2) (a) 3., 119.23 (2) (a) 8., 119.23 (2) (ag) 2. a., 119.23 (3) (a) (intro.), 119.23 (3) (a) 1., 119.23 (4) (a), 119.23 (6m) (b) (intro.), 119.23 (6m) (c), 119.23 (7) (am) 2m. a., 119.23 (7) (an) 1., 119.23 (7) (em) 1., 119.23 (10) (a) 1., 119.23 (10) (a) 5., 119.23 (10) (a) 6., 121.90 (1) (f) (intro.) and 121.91 (4) (n) 1.; and *to create* 115.7915 (6) (j), 118.60 (2) (a) 1. d., 118.60 (2) (a) 2. e., 118.60 (2) (a) 2. f., 118.60 (3) (ar) (intro.), 118.60 (3) (ar) 6., 118.60 (3m) (am) 1. h., 118.60 (4v), 118.60 (6m) (bm), 118.60 (6p), 118.60 (7) (h), 118.60 (7m), 118.60 (10) (am) 4., 119.23 (3m) (am) 1. h., 119.23 (4v), 119.23 (6m) (bm), 119.23 (6p), 119.23 (7) (h), 119.23 (7m), 119.23 (10) (am) 4. and 121.90 (1) (g) of the statutes; **relating to:** parental choice programs, the Special Needs Scholarship Program, granting rule-making authority, and making an appropriation.

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

**SECTION 1.** 20.255 (1) (j) of the statutes is amended to read:

20.255 (1) (j) *Milwaukee Parental Choice Program and the parental choice program for eligible school districts and other school districts; financial audits.* All moneys received under ss. 118.60 (2) (a) 3. and (ag) 1. c. and 119.23 (2) (a) 3. and (ag) 1. c. to be used to evaluate the financial information submitted under s. 119.23 (7)

(d) 2., 2015 stats., and s. 119.23 (7) (am) and (d) 2. and 3. and (7m) (a) 2. by private schools participating in the Milwaukee Parental Choice Program and under s. 118.60 (7) (d) 2., 2015 stats., and s. 118.60 (7) (am) and (d) 2. and 3. and (7m) (a) 2. by private schools participating in the choice program under s. 118.60.

**SECTION 2.** 20.255 (1) (j) of the statutes, as affected by 2017 Wisconsin Act .... (this act), is amended to read:

20.255 (1) (j) *Milwaukee Parental Choice Program and the parental choice program for eligible school dis-*

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

*tricts and other school districts; financial audits.* All moneys received under ss. 118.60 (2) (a) 3. and (ag) 1. c. and 119.23 (2) (a) 3. and (ag) 1. c. to be used to evaluate the financial information submitted under s. ~~119.23 (7) (d) 2., 2015 stats.,~~ and s. 119.23 (7) (am) and (d) 3. and (7m) (a) 2. by private schools participating in the Milwaukee Parental Choice Program and under s. ~~118.60 (7) (d) 2., 2015 stats.,~~ and s. 118.60 (7) (am) and (d) 3. and (7m) (a) 2. by private schools participating in the choice program under s. 118.60.

**SECTION 3.** 115.77 (1m) (bg) of the statutes is amended to read:

115.77 (1m) (bg) Includes children with disabilities in statewide and local educational agency-wide assessments, including assessments described in [20 USC 6311 \(b\) \(3\) \(2\)](#), with appropriate accommodations and alternate assessments where necessary and as indicated in their individualized education programs.

**SECTION 4.** 115.7915 (2) (c) of the statutes is amended to read:

115.7915 (2) (c) The school has been approved as a private school by the state superintendent under s. 118.165 (2) or is accredited by the ~~Wisconsin North Central Association~~ AdvancED, Wisconsin Religious and Independent Schools Accreditation, the Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, Wisconsin Association of Christian Schools, National Lutheran School Accreditation, Christian Schools International, Association of Christian Schools International, the diocese or archdiocese within which the private school is located, or any other organization recognized by the National Council for Private School Accreditation, as of the August 1 preceding the school term for which the scholarship is awarded.

**SECTION 5.** 115.7915 (2) (f) of the statutes is amended to read:

115.7915 (2) (f) The child's parent or guardian on behalf of the child, or, for a child with a disability who has reached the age of 18 and has not been adjudicated incompetent, the child, submitted an application for a scholarship under this section on a form prepared by the department that includes the document developed by the department under sub. (4) (a) to the eligible school that the child will attend. A child's parent or guardian or a child with a disability who has reached the age of 18 may apply for a scholarship at any time during a school year and, subject to sub. (3) (b), a child may begin attending a private school under this section at any time during the school year.

**SECTION 6.** 115.7915 (2) (h) of the statutes is amended to read:

115.7915 (2) (h) The child's parent or guardian consents to make the child available for a reevaluation, ~~by the~~ within 60 days following a request for a reevaluation under this paragraph. The individualized education pro-

gram team appointed for the child by the resident school district, ~~within 60 days following a request for a reevaluation under this paragraph~~ shall conduct the reevaluation, except that, if the child is attending a private school under this section in a nonresident school district and the parent or guardian of the child provides written consent, an individualized education program team appointed for the child by that nonresident school district may conduct the reevaluation. Upon the request of the school board of the child's resident school district, the individualized education program team shall conduct the reevaluation required under this paragraph in the manner described under s. 115.782 (4) (a) 2. no more frequently than once every 3 years, determined from the date of the most recent evaluation or reevaluation conducted for the child under s. 115.782 or, for a child whose most recent evaluation or reevaluation was conducted more than 3 years before the child began attending a private school under this section, the date the child began attending a private school under this section.

**SECTION 7.** 115.7915 (3) (c) of the statutes is amended to read:

115.7915 (3) (c) The governing body of a private school participating in the program under this section shall notify the department when it verifies that a child has an individualized education program or services plan in effect and accepts ~~a~~ the child's application to attend the private school under a scholarship awarded under this section.

**SECTION 8.** 115.7915 (4) (a) 1. of the statutes is renumbered 115.7915 (4) (am).

**SECTION 9.** 115.7915 (4) (a) 2. of the statutes is renumbered 115.7915 (4) (bm) and amended to read:

115.7915 (4) (bm) Receipt by an applicant of the document developed under ~~sub. 1. par. (am),~~ acknowledged in a format prescribed by the department, constitutes notice that the applicant has been informed of his or her rights under this section and [20 USC 1400 to 1482](#). Subsequent acceptance of a scholarship under this section constitutes the applicant's informed acknowledgment of the rights specified in the document.

**SECTION 10.** 115.7915 (4) (b) of the statutes is renumbered 115.7915 (3) (bm) and amended to read:

115.7915 (3) (bm) Upon receipt of ~~notice~~ an application for a scholarship under sub. (3) (e) (2) (f), the ~~department~~ governing body of the private school shall determine whether the application satisfies the requirements under sub. (2), other than the requirement under sub. (2) (d), and shall request verification from the local education agency that developed the child's resident school board that the child has an individualized education program or services plan that the child has an individualized education program or services plan in place ~~for the child and that meets the requirement in sub. (2) (d).~~ The governing body of the private school shall also notify the child's resident school board that, pending verification

that the requirements of sub. (2) have been satisfied, the child will be awarded a scholarship under this section. The child's resident school board local education agency shall, within ~~3-~~ 5 business days of receiving a request under this paragraph, provide verification to the department and provide the governing body of the private school that accepted the child with a copy of the child's individualized education program or services plan.

**SECTION 11.** 115.7915 (5) (b) of the statutes is amended to read:

115.7915 (5) (b) Upon the request of a parent of a child receiving a scholarship under this section, the child's resident school board shall administer the appropriate examinations under s. 118.30 to the child at no cost if the private school the child attends does not administer them examinations under s. 118.30 to any pupil attending the private school.

**SECTION 12.** 115.7915 (6) (e) of the statutes is amended to read:

115.7915 (6) (e) Annually, by October 15 following a school year in which a private school participated in the program under this section, submit to the department ~~a~~ an independent financial audit of the private school financial information report, prepared conducted by a an independent certified public accountant, that complies with uniform financial accounting standards established by the department by rule. The report shall be accompanied by an the auditor's statement that the report is free of material misstatements and fairly represents pupil costs. The report shall be limited in scope to those records that are necessary for the department to make payments to the private school. presents the private school's eligible education expenses, and beginning in the 2nd school year a private school participates in the program under this section, a copy of a management letter prepared by the auditor. If the private school annually received a total of at least \$100,000 under this section and ss. 118.60 and 119.23 in any school year, the audit shall be prepared in accordance with generally accepted accounting principles with allowable modifications for long-term fixed assets. If the private school has not annually received a total of at least \$100,000 under this section and ss. 118.60 and 119.23 in any school year, the audit shall be prepared as prescribed by the department by rule. The audit shall include a calculation of the private school's net eligible education expenses and a calculation of the balance of the private school's fund for future eligible education expenses. The auditor shall conduct his or her audit, including determining sample sizes and evaluating financial viability, in accordance with the auditing standards established by the American Institute of Certified Public Accountants. The department may not require an auditor to comply with standards that exceed the scope of the standards established by the American Institute of Certified Public Accountants. If a private school participating in a program under this section is part of an organization and the

private school and the organization share assets, liabilities, or eligible education expenses, the private school may submit an audit of the private school or of the organization of which it is a part. If a private school that is part of an organization with which it shares assets, liabilities, or eligible education expenses submits an audit of only the private school, the independent auditor shall use his or her professional judgment to allocate any shared assets, liabilities, and eligible education expenses between the organization and the private school. If a private school participating in the program under this section also accepts pupils under s. 118.60 or 119.23, the private school may submit one comprehensive financial audit to satisfy the requirements of this paragraph and ss. 118.60 (7) (am) 2m. and 119.23 (7) (am) 2m., whichever are applicable. The private school shall include in the comprehensive financial audit the information specified under ss. 118.60 (7) (am) 2m. and 119.23 (7) (am) 2m. Each private school participating in the program under this section is subject to uniform financial accounting standards established by the department.

**SECTION 13.** 115.7915 (6) (j) of the statutes is created to read:

115.7915 (6) (j) Upon the request of a parent of a child receiving a scholarship under this section, administer the appropriate examinations under s. 118.30 to the child at no cost if the private school the child attends administers examinations under s. 118.30 to any pupil attending the private school.

**SECTION 14.** 115.7915 (8) (a) 1. of the statutes is amended to read:

115.7915 (8) (a) 1. Intentionally and substantially or negligently misrepresented information required under sub. (6) ~~this section or any rule promulgated under sub. (10).~~

**SECTION 15.** 118.225 (intro.) of the statutes is amended to read:

**118.225 Teacher evaluations.** (intro.) A school board may use value-added analyses of scores on the examinations administered to pupils under s. 118.30 and 20 USC 6311 (b) (3) (2) to evaluate teachers if the school board has developed a teacher evaluation plan that includes all of the following:

**SECTION 16.** 118.30 (1s) (intro.) of the statutes is amended to read:

118.30 (1s) (intro.) Annually, the governing body of each private school participating in the program under s. 119.23, other than a private school at which fewer than 20 pupils in grades 3 to 12 are attending the school under the program under s. 119.23, and the governing body of a private school that, pursuant to s. 115.999 (3), 119.33 (2) (c) 3., or 119.9002 (3) (c), is responsible for the operation and general management of a school transferred to an opportunity schools and partnership program under s. 119.33, subch. IX of ch. 115, or subch. II of ch. 119 shall do all of the following:

**SECTION 17.** 118.30 (1s) (d) of the statutes is amended to read:

118.30 (1s) (d) Administer to pupils attending the private school under s. 119.23 all other examinations in reading, mathematics, and science that are required to be administered to public school pupils under [20 USC 6311](#) (b) ~~(3)~~ (2).

**SECTION 18.** 118.30 (1t) (intro.) of the statutes is amended to read:

118.30 (1t) (intro.) Annually, the governing body of each private school participating in the program under s. 118.60, other than a private school at which fewer than 20 pupils in grades 3 to 12 are attending the school under the program under s. 118.60, shall do all of the following:

**SECTION 19.** 118.30 (1t) (d) of the statutes is amended to read:

118.30 (1t) (d) Administer to pupils attending the private school under s. 118.60 all other examinations in reading, mathematics, and science that are required to be administered to public school pupils under [20 USC 6311](#) (b) ~~(3)~~ (2).

**SECTION 20.** 118.30 (2) (c) of the statutes is amended to read:

118.30 (2) (c) The results of examinations administered under this section or under [20 USC 6311](#) (b) ~~(3)~~ (2) to pupils enrolled in public schools, including charter schools, may not be used as the sole reason to discharge, suspend, or formally discipline a teacher or as the sole reason for the nonrenewal of a teacher's contract.

**SECTION 21.** 118.56 (1) of the statutes is amended to read:

118.56 (1) Require a pupil in the program to work at least 280 hours per school year for an employer that complies with sub. (3). Hours of instruction may not be used to satisfy the work requirements under this subsection. Hours that fulfill the work requirements under this subsection shall be counted as hours of direct pupil instruction, as provided under ss. 118.60 (2) (a) 8. and 119.23 (2) (a) 8.

**SECTION 22.** 118.60 (1) (ab) of the statutes is amended to read:

118.60 (1) (ab) "Accrediting entity" means ~~Wisconsin North Central Association AdvancED~~, Wisconsin Religious and Independent Schools Accreditation, Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, National Lutheran School Accreditation, Wisconsin Association of Christian Schools, Christian Schools International, Association of Christian Schools International, the diocese or archdiocese within which a private school is located, and any other organization recognized by the National Council for Private School Accreditation.

**SECTION 23.** 118.60 (2) (a) 1. a. of the statutes is amended to read:

118.60 (2) (a) 1. a. Except as provided in par. (bm), the pupil is a member of a family that has a total family income that does not exceed an amount equal to 3.0 times the poverty level determined in accordance with criteria established by the director of the federal office of management and budget. In this subdivision and sub. (3m), family income includes income of the pupil's parents or legal guardians. Except as provided in subd. 1. c. and d., the family income of the pupil shall be verified as provided in subd. 1. b. A pupil attending a private school under this section whose family income increases may continue to attend a private school under this section.

**SECTION 24.** 118.60 (2) (a) 1. b. of the statutes is amended to read:

118.60 (2) (a) 1. b. The private school or the pupil's parent or guardian submits to the department of public instruction the names, addresses, social security numbers, and other state and federal tax identification numbers, if any, of the pupil's parents or legal guardians that reside in the same household as the pupil, whether and to whom the parents or legal guardians are married, the names of all of the other members of the pupil's family residing in the same household as the pupil, and the school year for which family income is being verified under this subd. 1. b. The department of revenue shall review the information submitted under this subd. 1. b. and shall verify the eligibility or ineligibility of the pupil to participate in the program under this section on the basis of family income. In this subdivision, "family income" means federal adjusted gross income of the parents or legal guardians residing in the same household as the pupil for the tax year preceding the school year for which family income is being verified under this subd. 1. b. or, if not available, for the tax year preceding the tax year preceding the school year for which family income is being verified under this subd. 1. b. Family income for a family in which the pupil's parents are married or in which the pupil's legal guardians are married shall be reduced by \$7,000 before the verification is made under this subd. 1. b. The department of revenue may take no other action on the basis of the information submitted under this subd. 1. b. If the department of revenue is unable to verify family income or to verify whether the pupil is eligible or ineligible to participate in the program under this section on the basis of family income, the department of revenue shall notify the department of public instruction, the private school, and the pupil's parent or guardian of this fact and the department of public instruction shall utilize an alternative process, to be established by the department of public instruction, to determine whether the pupil is eligible to participate in the program under this section on the basis of family income. The department of public instruction may not request any additional verification of income from the family of a pupil once the department of revenue has veri-

fied that the pupil is eligible to participate in the program under this section on the basis of family income. The department of public instruction shall establish a procedure for determining family income eligibility for those pupils for whom no social security number or state or federal tax identification number has been provided.

**SECTION 25.** 118.60 (2) (a) 1. d. of the statutes is created to read:

118.60 (2) (a) 1. d. The family income of a pupil does not need to be verified under subd. 1. b. for a pupil who resided in a 1st class city school district in a school year, attended a participating private school in a 1st class city school district under the program under s. 119.23 in that school year, and applies to attend a participating private school in an eligible school district in the school year immediately following that school year.

**SECTION 26.** 118.60 (2) (a) 2. (intro.) of the statutes is amended to read:

118.60 (2) (a) 2. (intro.) ~~For a pupil that resides in an eligible school district, the~~ The pupil satisfies one or more of the following:

**SECTION 27.** 118.60 (2) (a) 2. a. of the statutes is amended to read:

118.60 (2) (a) 2. a. The pupil was enrolled in a public school ~~in an eligible school district~~ in the previous school year.

**SECTION 28.** 118.60 (2) (a) 2. c. of the statutes is amended to read:

118.60 (2) (a) 2. c. The pupil attended a private school under this section or s. 119.23 in the previous school year.

**SECTION 29.** 118.60 (2) (a) 2. e. of the statutes is created to read:

118.60 (2) (a) 2. e. The pupil attended a school in another state in the previous school year.

**SECTION 30.** 118.60 (2) (a) 2. f. of the statutes is created to read:

118.60 (2) (a) 2. f. The pupil was on a waiting list to attend a private school under this section or s. 119.23 during the previous school year.

**SECTION 31.** 118.60 (2) (a) 2m. of the statutes is repealed.

**SECTION 32.** 118.60 (2) (a) 3g. of the statutes is renumbered 118.60 (7m) (a) 2. and amended to read:

118.60 (7m) (a) 2. ~~By May 1 before the first term of participation in the program under this section, the private school submits to the department, on a form provided by the department, a~~ A complete anticipated budget, on a form provided by the department, for the first fiscal period of participation in the program under this section and evidence of financial viability, as prescribed by the department by rule. ~~The governing body private school shall include on the completed form in the budget~~ the anticipated enrollments for all pupils enrolled in the private school and for pupils enrolled in the private school under this section; estimated revenues and costs;

a schedule of anticipated beginning and ending net choice program assets; and a schedule of monthly cash flow requirements. ~~The governing body private school~~ shall include in the budget contingent funding sources the private school will use in the event that actual enrollments are less than expected.

**SECTION 33.** 118.60 (2) (a) 8. of the statutes is amended to read:

118.60 (2) (a) 8. Notwithstanding s. 118.165 (1) (c), the private school annually provides at least 1,050 hours of direct pupil instruction in grades 1 to 6 and at least 1,137 hours of direct pupil instruction in grades 7 to 12. Hours provided under this subdivision include recess and time for pupils to transfer between classes but do not include the lunch periods. Annually, no more than 140 hours of work under s. 118.56 may be counted as hours of direct pupil instruction.

**SECTION 34.** 118.60 (2) (ag) 2. a. of the statutes is amended to read:

118.60 (2) (ag) 2. a. By August 1 of the school year immediately preceding the school year in which the new private school intends to participate in the program under this section, submit to the department the information ~~required under sub. (6m) (6p) (a) and (e) (b).~~

**SECTION 35.** 118.60 (2) (ag) 3. of the statutes is repealed.

**SECTION 36.** 118.60 (3) (a) (intro.) of the statutes is amended to read:

118.60 (3) (a) (intro.) The pupil or the pupil's parent or guardian shall submit an application, on a form provided by the state superintendent, to the participating private school that the pupil wishes to attend. If more than one pupil from the same family applies to attend the same private school, the pupils may use a single application. ~~Within~~ No later than 60 days after ~~receiving the application~~ the end of the application period during which an application is received and subject to par. (ar), the private school shall notify each applicant, in writing, whether his or her application has been accepted. If the private school rejects an application, the notice shall include the reason. Subject to par. (ar), a private school may reject an applicant only if it has reached its maximum general capacity or seating capacity. Except as provided in par. (ar), the state superintendent shall ensure that the private school determines which pupils to accept on a random basis, except that the private school may give preference to the following in accepting applications, in the order of preference listed:

**SECTION 37.** 118.60 (3) (a) 1m. of the statutes is amended to read:

118.60 (3) (a) 1m. Pupils who attended the private school under this section or s. 119.23 during the previous school year.

**SECTION 38.** 118.60 (3) (ar) (intro.) of the statutes is created to read:

118.60 (3) (ar) (intro.) All of the following apply to applications to attend a private school under this section only if the limitation under sub. (2) (be) applies to the school year for which the application is made:

**SECTION 39.** 118.60 (3) (ar) 1. of the statutes is amended to read:

118.60 (3) (ar) 1. ~~In the 2015–16 school year and any school year thereafter, a~~ A private school that has submitted a notice of intent to participate under sub. (2) (a) 3. a. may accept applications for the following school year between February 1 and April 20 from pupils who reside in a school district, other than an eligible school district or a 1st class city school district.

**SECTION 40.** 118.60 (3) (ar) 2. of the statutes is amended to read:

118.60 (3) (ar) 2. ~~By May 1, 2016, and by the May 1 of any school year thereafter immediately following the application period under subd. 1.,~~ each private school that received applications under subd. 1. shall report to the department the number of pupils who have applied under subd. 1. to attend the private school under this section and the names of those applicants that have siblings who have also applied under subd. 1. to attend the private school under this section.

**SECTION 41.** 118.60 (3) (ar) 3. (intro.) and b. of the statutes are consolidated, renumbered 118.60 (3) (ar) 3. and amended to read:

118.60 (3) (ar) 3. Annually, upon receipt of the information under subd. 2., the department shall, for each school district, determine the sum of all applicants for pupils residing in that school district under this paragraph. In determining the sum, the department shall count a pupil who has applied to attend more than one private school under the program only once. After determining the sum of all applicants for pupils residing in a school district, the department shall ~~do one of the following:~~ ~~b. Annually, if the total number of applicants exceeds the school district's pupil participation limit under sub. (2) (be), the department shall determine which applications to accept on a random basis, except that the department shall give preference to the applications of pupils described in s. 118.60 (3) (a) 1m. to 5., in the order of preference listed in that paragraph.~~

**SECTION 42.** 118.60 (3) (ar) 3. a. and am. of the statutes are repealed.

**SECTION 43.** 118.60 (3) (ar) 4. of the statutes is amended to read:

118.60 (3) (ar) 4. For each school district in which private schools received applications under subd. 1. that exceeded the school district's pupil participation limit under sub. (2) (be), the department shall establish a waiting list in accordance with the preferences required under subd. 3. ~~b.~~

**SECTION 44.** 118.60 (3) (ar) 6. of the statutes is created to read:

118.60 (3) (ar) 6. In the 2017–18 school year and any school year thereafter, between the first weekday in August and the 3rd Friday in August, the department may transfer a pupil's application to attend a private school under this section in the current school year to a private school that accepted applications from pupils under subd. 1. for the current school year, if all of the following apply:

a. A participating private school accepted an application from the pupil for the current school year under subd. 1. and verified that the pupil is eligible to attend a private school under this section.

b. The pupil's residence changed between April 21 and the 3rd Friday in August and the pupil continues to reside in a school district other than an eligible school district or a 1st class city school district.

c. The participating private school to which the pupil's application is transferred under this subdivision has space available in the pupil's grade.

d. The total number of pupils residing in the pupil's resident school district attending a private school under this section during the current school year does not exceed the school district's pupil participation limit under sub. (2) (be).

**SECTION 45.** 118.60 (3) (c) of the statutes is amended to read:

118.60 (3) (c) If a participating private school rejects an applicant who resides in a school district, other than an eligible school district or a 1st class city school district, because the private school has too few available spaces, the applicant may transfer his or her application to a participating private school that has space available. An applicant who is rejected under this paragraph or an applicant who is on the waiting list under sub. (3) (ar) 4. may, subject to sub. (2) (be) ~~and (bm)~~, be admitted to a private school participating in the program under this section for the following school year, provided that the applicant continues to reside in a school district other than an eligible school district or a 1st class city school district. The department may not require, in that following school year, the private school to submit financial information regarding the applicant or to verify the eligibility of the applicant to participate in the program under this section on the basis of family income.

**SECTION 46.** 118.60 (3m) (am) 1. h. of the statutes is created to read:

118.60 (3m) (am) 1. h. Room and board at the private school.

**SECTION 47.** 118.60 (4) (a) of the statutes is amended to read:

118.60 (4) (a) Annually, on or before ~~October 4~~ September 15, a private school participating in the program under this section shall file with the department a report stating its summer daily attendance for each day of summer school for the purpose of sub. (4m).



**SECTION 48.** 118.60 (4v) of the statutes is created to read:

118.60 (4v) (a) The department may consider a pupil enrolled in a private school participating in the program under this section who satisfies all of the following as a resident of an eligible school district who is enrolled in the private school under this section:

1. The pupil was a resident of a school district, other than an eligible school district or a 1st class city school district, when the pupil applied to participate in the program under this section.

2. The pupil accepted a space at a private school participating in the program under this section as a resident of a school district, other than an eligible school district or a 1st class city school district.

3. The pupil resides in an eligible school district on the 3rd Friday in September.

4. The private school the pupil is attending under this section accepts applications under this section from pupils who reside in an eligible school district.

(b) If the department considers a pupil as a resident of an eligible school district under par. (a), the department shall ensure that the pupil is not counted for purposes of determining whether a school district has exceeded its pupil participation limit under sub. (2) (be).

**SECTION 49.** 118.60 (6m) (b) (intro.) of the statutes is amended to read:

118.60 (6m) (b) (intro.) Annually, by August 1st 1, provide to the department ~~the material specified in par. (a)~~ and all of the following information:

**SECTION 50.** 118.60 (6m) (b) 1. and 2. of the statutes are repealed.

**SECTION 51.** 118.60 (6m) (b) 4. of the statutes is repealed.

**SECTION 52.** 118.60 (6m) (bm) of the statutes is created to read:

118.60 (6m) (bm) Upon request of the department, provide a copy of any policy described in par. (a) and the academic standards adopted under sub. (7) (b) 2.

**SECTION 53.** 118.60 (6m) (c) of the statutes is amended to read:

118.60 (6m) (c) ~~Provide~~ Upon an individual joining the private school's governing body, provide to the department a signed statement from each ~~the~~ individual ~~who is a member of the private school's governing body~~ verifying that the individual is a member of the governing body.

**SECTION 54.** 118.60 (6p) of the statutes is created to read:

118.60 (6p) In addition to the requirements under sub. (6m), a private school that is not a new private school and that did not participate in the program under this section or s. 119.23 in the previous school year shall submit to the department all of the following:

(a) By January 10 of the school year immediately preceding the school year in which the private school intends

to participate in the program under this section, all of the following:

1. The information required under sub. (6m) (a).

2. A signed statement from each individual who is a member of the private school's governing body verifying that the individual is a member of the governing body.

(b) By August 1 of the school year in which the private school intends to participate in the program under this section, a copy of the academic standards adopted under sub. (7) (b) 2.

**SECTION 55.** 118.60 (7) (a) of the statutes is repealed.

**SECTION 56.** 118.60 (7) (am) 2m. a. of the statutes is amended to read:

118.60 (7) (am) 2m. a. An independent financial audit of the private school conducted by an independent certified public accountant, accompanied by the auditor's statement that the report is free of material misstatements and fairly presents the private school's eligible education expenses, and beginning in the 2nd school year a private school participates in the program under this section, a copy of a management letter prepared by the auditor. ~~The~~ If the private school annually received a total of at least \$100,000 under this section and ss. 115.7915 and 119.23 in any school year, the audit shall be prepared in accordance with generally accepted accounting principles with allowable modifications for long-term fixed assets. If the private school has not annually received a total of at least \$100,000 under this section and ss. 115.7915 and 119.23 in any school year, the audit shall be prepared as prescribed by the department by rule. The audit shall include a calculation of the private school's net eligible education expenses and a calculation of the balance of the private school's fund for future eligible education expenses. The auditor shall conduct his or her audit, including determining sample sizes and evaluating financial viability, in accordance with the auditing standards established by the American Institute of Certified Public Accountants. The department may not require an auditor to comply with standards that exceed the scope of the standards established by the American Institute of Certified Public Accountants. If a private school participating in a program under this section is part of an organization and the private school and the organization share assets, liabilities, or eligible education expenses, the private school may submit an audit of the private school or of the organization of which it is a part. If a private school that is part of an organization with which it shares assets, liabilities, or eligible education expenses submits an audit of only the private school, the independent auditor shall use his or her professional judgment to allocate any shared assets, liabilities, and eligible education expenses between the organization and the private school. If a private school participating in the program under this section also accepts pupils under s. 115.7915 or 119.23, the private school may submit one comprehensive financial audit to satisfy the requirements of this subdivision and

s. ss. 115.7915 (6) (e) and 119.23 (7) (am) 2m., whichever are applicable. The private school shall include in the comprehensive financial audit the information specified under s. 119.23 (7) (am) 2m.

**SECTION 57.** 118.60 (7) (an) 1. of the statutes is amended to read:

118.60 (7) (an) 1. A private school participating in the program under this section shall maintain a cash and investment balance that is at least equal to its reserve balance. If a private school does not maintain a cash and investment balance that is at least equal to its reserve balance, the private school shall refund the reserve balance to the department. If a private school ceases to participate in or is barred from the program under this section and s. 119.23 and the private school's reserve balance is positive, the private school shall refund the reserve balance to the department.

**SECTION 58.** 118.60 (7) (ao) of the statutes is repealed.

**SECTION 59.** 118.60 (7) (d) (intro.) of the statutes is amended to read:

118.60 (7) (d) (intro.) ~~By September 1 before the first school term of participation in the program that begins in the 2013-14 school year, by August 1 before the first school term of participation in the program that begins in the 2014-15 school year or any school year thereafter, or by May 1 if the private school begins participating in the program during summer school, each private school participating in the program under this section shall submit to the department all of the following:~~

**SECTION 60.** 118.60 (7) (d) 2. of the statutes is repealed.

**SECTION 61.** 118.60 (7) (em) 1. of the statutes is amended to read:

118.60 (7) (em) 1. ~~Beginning in the 2013-14 school year, the~~ The governing body of each private school participating in the program under this section shall, subject to subd. 2., annually, ~~by January 15~~ August 1, provide the department with evidence demonstrating that the private school remains accredited for the current school year as required under par. (ad), ~~except that in the 2017-18 school year the governing body shall submit the evidence by January 15, 2018.~~ The governing body shall include as evidence of accreditation a letter prepared by an accrediting entity that confirms that the private school is accredited by that entity as of the date of the letter.

**SECTION 62.** 118.60 (7) (h) of the statutes is created to read:

118.60 (7) (h) Beginning in the 2018-19 school year, each private school participating in the program under this section shall conduct criminal background investigations of its employees and exclude from employment any person not permitted to hold a teaching license as the result of an offense and any person who might reasonably be believed to pose a threat to the safety of others.

**SECTION 63.** 118.60 (7m) of the statutes is created to read:

118.60 (7m) (a) By May 1 before the first school term that a private school participates in the program under this section or s. 119.23, a private school shall submit to the department one of the following:

1. A surety bond payable to the state in an amount equal to 25 percent of the total amount of payments the private school expects to receive under this section and s. 119.23 during the first school year the private school participates in the program under this section.

(b) 1. If a private school submits a surety bond under par. (a) 1., the private school shall annually provide, by May 1, a surety bond payable to the state until the private school submits all of the following to the department:

a. A financial audit prepared in accordance with generally accepted accounting principles with allowable modifications for long-term fixed assets that does not contain any indicators that the private school is not financially viable.

b. Evidence of sound fiscal and internal control practices under sub. (7) (am) 2m. b. for the school year in the financial audit submitted under subd. 1. a. and for the subsequent school year, neither of which indicates that the private school is not financially viable.

2. A private school shall provide a surety bond under this paragraph in an amount equal to 25 percent of the total amount of payments the private school expects to receive under this section and s. 119.23 during the following school year.

(c) If a private school submits a complete anticipated budget under par. (a) 2., the department shall determine whether the private school is financially viable by August 1. If the department determines that the private school is not financially viable, the private school is not eligible to participate in the program under this section or s. 119.23 in the current school year.

**SECTION 64.** 118.60 (10) (a) 1. of the statutes is amended to read:

118.60 (10) (a) 1. ~~Misrepresented Intentionally or negligently misrepresented any~~ Misrepresented Intentionally or negligently misrepresented any information required under ~~sub. (7) (d)~~ this section or any rule promulgated under this section.

**SECTION 65.** 118.60 (10) (a) 4. of the statutes is repealed.

**SECTION 66.** 118.60 (10) (a) 5. of the statutes is amended to read:

118.60 (10) (a) 5. Failed to provide the information required under sub. (6m) ~~or (6p).~~

**SECTION 67.** 118.60 (10) (a) 6. of the statutes is amended to read:

118.60 (10) (a) 6. Failed to comply with the requirements under sub. (7) (b) ~~or (c), or (h) or (7m).~~

**SECTION 68.** 118.60 (10) (am) 4. of the statutes is created to read:



118.60 (10) (am) 4. The private school intentionally or negligently misrepresented any information required under this section or any rule promulgated under this section.

**SECTION 69.** 119.23 (1) (ab) 1. of the statutes is amended to read:

119.23 (1) (ab) 1. Wisconsin North Central Association ~~AdvancED~~, Wisconsin Religious and Independent Schools Accreditation, Independent Schools Association of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation, National Lutheran School Accreditation, Wisconsin Association of Christian Schools, Christian Schools International, Association of Christian Schools International, the diocese or archdiocese within which a private school is located, and any other organization recognized by the National Council for Private School Accreditation.

**SECTION 70.** 119.23 (2) (a) 1. b. of the statutes is amended to read:

119.23 (2) (a) 1. b. The private school or the pupil's parent or guardian submits to the department of public instruction the names, addresses, social security numbers, and other state and federal tax identification numbers, if any, of the pupil's parents or legal guardians that reside in the same household as the pupil, whether and to whom the parents or legal guardians are married, the names of all of the other members of the pupil's family residing in the same household as the pupil, and the school year for which family income is being verified under this subd. 1. b. The department of revenue shall review the information submitted under this subd. 1. b. and shall verify the eligibility or ineligibility of the pupil to participate in the program under this section on the basis of family income. In this subdivision, "family income" means federal adjusted gross income of the parents or legal guardians residing in the same household as the pupil for the tax year preceding the school year for which family income is being verified under this subd. 1. b. or, if not available, for the tax year preceding the tax year preceding the school year for which family income is being verified under this subd. 1. b. Family income for a family in which the pupil's parents are married or in which the pupil's legal guardians are married shall be reduced by \$7,000 before the verification is made under this subd. 1. b. The department of revenue may take no other action on the basis of the information submitted under this subd. 1. b. If the department of revenue is unable to verify family income or to verify whether the pupil is eligible or ineligible to participate in the program under this section on the basis of family income, the department of revenue shall notify the department of public instruction, the private school, and the pupil's parent or guardian of this fact and the department of public instruction shall utilize an alternative process, to be established by the department of public instruction, to determine whether the pupil is eligible to participate in

the program under this section on the basis of family income. The department of public instruction may not request any additional verification of income from the family of a pupil once the department of revenue has verified that the pupil is eligible to participate in the program under this section on the basis of family income. The department of public instruction shall establish a procedure for determining family income eligibility for those pupils for whom no social security number or state or federal tax identification number has been provided.

**SECTION 71.** 119.23 (2) (a) 1. d. of the statutes is amended to read:

119.23 (2) (a) 1. d. In this subd. 1. d., "eligible school district" has the meaning given in s. 118.60 (1) (am). The family income of a pupil does not need to be verified under subd. 1. b. for a pupil who resided in a school district ~~other than an eligible school district~~ and other than the school district operating under this chapter in a school year, attended a participating private school under the program under s. 118.60 ~~in a school district other than an eligible school district in that school year~~, and applies to attend a participating private school in the program under this section in the school year immediately following that school year.

**SECTION 72.** 119.23 (2) (a) 3. of the statutes is amended to read:

119.23 (2) (a) 3. Except as provided in par. (ag) 1., the private school notified the state superintendent of its intent to participate in the program under this section or in the program under s. 118.60, and paid the nonrefundable annual fee set by the department, by January 10 of the previous school year. The notice shall specify the number of pupils participating in the program under this section and in the program under s. 118.60 for which the school has space. The department shall by rule set the fee charged under this subdivision at an amount such that the total fee revenue covers the costs of employing one full-time auditor to evaluate the financial information submitted by private schools under ~~sub. subs. (7) (am) and (d) 2. and 3. and (7m) (a) 2.~~ and under s. 118.60 (7) (am) and (d) ~~2. and 3. and (7m) (a) 2.~~

**SECTION 73.** 119.23 (2) (a) 3g. of the statutes is renumbered 119.23 (7m) (a) 2. and amended to read:

119.23 (7m) (a) 2. ~~By May 1 before the first term of participation in the program under this section, the private school submits to the department, on a form provided by the department, a complete anticipated budget, on a form provided by the department, for the first fiscal period of participation in the program under this section and evidence of financial viability, as prescribed by the department by rule. The governing body private school shall include on the completed form in the budget the anticipated enrollments for all pupils enrolled in the private school and for pupils enrolled in the private school under this section; estimated revenues and costs; a schedule of anticipated beginning and ending net~~

choice program assets; and a schedule of monthly cash flow requirements. The ~~governing body~~ private school shall include in the budget contingent funding sources the private school will use in the event that actual enrollments are less than expected.

**SECTION 74.** 119.23 (2) (a) 8. of the statutes is amended to read:

119.23 (2) (a) 8. Notwithstanding s. 118.165 (1) (c), the private school annually provides at least 1,050 hours of direct pupil instruction in grades 1 to 6 and at least 1,137 hours of direct pupil instruction in grades 7 to 12. Hours provided under this subdivision include recess and time for pupils to transfer between classes but do not include the lunch periods. Annually, no more than 140 hours of work under s. 118.56 may be counted as hours of direct pupil instruction.

**SECTION 75.** 119.23 (2) (ag) 2. a. of the statutes is amended to read:

119.23 (2) (ag) 2. a. By August 1 of the school year immediately preceding the school year in which the new private school intends to participate in the program under this section, submit to the department the information required under sub. ~~(6m)~~ (6p) (a) and ~~(e)~~ (b).

**SECTION 76.** 119.23 (2) (ag) 3. of the statutes is repealed.

**SECTION 77.** 119.23 (3) (a) (intro.) of the statutes is amended to read:

119.23 (3) (a) (intro.) The pupil or the pupil's parent or guardian shall submit an application, on a form provided by the state superintendent, to the participating private school that the pupil wishes to attend. If more than one pupil from the same family applies to attend the same private school, the pupils may use a single application. ~~Within~~ No later than 60 days after receiving the application ~~the end of the application period during which an application is received,~~ the private school shall notify each applicant, in writing, whether his or her application has been accepted. If the private school rejects an application, the notice shall include the reason. A private school may reject an applicant only if it has reached its maximum general capacity or seating capacity. The state superintendent shall ensure that the private school determines which pupils to accept on a random basis, except that the private school may give preference to the following in accepting applications, in order of preference listed:

**SECTION 78.** 119.23 (3) (a) 1. of the statutes is amended to read:

119.23 (3) (a) 1. Pupils who attended the private school under this section or s. 118.60 during the previous school year.

**SECTION 79.** 119.23 (3m) (am) 1. h. of the statutes is created to read:

119.23 **(3m)** (am) 1. h. Room and board at the private school.

**SECTION 80.** 119.23 (4) (a) of the statutes is amended to read:

119.23 **(4)** (a) Annually, on or before ~~October 1~~ September 15, a private school participating in the program under this section shall file with the department a report stating its summer daily attendance for each day of summer school for the purpose of sub. (4m).

**SECTION 81.** 119.23 (4v) of the statutes is created to read:

119.23 **(4v)** (a) The department may consider a pupil enrolled in a private school participating in the program under this section who satisfies all of the following as a resident of the city who is enrolled in the private school under this section:

1. The pupil was a resident of a school district, other than an eligible school district, as defined in s. 118.60 (1) (am), or a 1st class city school district, when the pupil applied to attend the private school under the program under s. 118.60.

2. The pupil accepted a space at a private school participating in the program under s. 118.60 as a resident of a school district, other than an eligible school district, as defined in s. 118.60 (1) (am), or a 1st class city school district.

3. The pupil resides in the city on the 3rd Friday in September.

4. The private school at which the pupil accepted a space under s. 118.60 is participating in the program under this section.

(b) If the department considers a pupil as a resident of the city under par. (a), the department shall ensure that the pupil is not counted for purposes of determining whether a school district has exceeded its pupil participation limit under s. 118.60 (2) (be).

**SECTION 82.** 119.23 (6m) (b) (intro.) of the statutes is amended to read:

119.23 **(6m)** (b) (intro.) Annually, by August 1st ~~1~~, provide to the department ~~the material specified in par. (a) and~~ all of the following information:

**SECTION 83.** 119.23 (6m) (b) 1. and 2. of the statutes are repealed.

**SECTION 84.** 119.23 (6m) (b) 4. of the statutes is repealed.

**SECTION 85.** 119.23 (6m) (bm) of the statutes is created to read:

119.23 **(6m)** (bm) Upon request of the department, provide a copy of any policy described in par. (a) and the academic standards adopted under sub. (7) (b) 2.

**SECTION 86.** 119.23 (6m) (c) of the statutes is amended to read:

119.23 **(6m)** (c) Provide Upon an individual joining the private school's governing body, provide to the department a signed statement from ~~each~~ the individual ~~who is a member of the private school's governing body~~

verifying that the individual is a member of the governing body.

**SECTION 87.** 119.23 (6p) of the statutes is created to read:

119.23 (6p) In addition to the requirements under sub. (6m), a private school that is not a new private school and that did not participate in the program under this section or s. 118.60 in the previous school year shall submit to the department all of the following:

(a) By January 10 of the school year immediately preceding the school year in which the private school intends to participate in the program under this section, all of the following:

1. The information required under sub. (6m) (a).
2. A signed statement from each individual who is a member of the private school's governing body verifying that the individual is a member of the governing body.

(b) By August 1 of the school year in which the private school intends to participate in the program under this section, a copy of the academic standards adopted under sub. (7) (b) 2.

**SECTION 88.** 119.23 (7) (a) of the statutes is repealed.

**SECTION 89.** 119.23 (7) (am) 2m. a. of the statutes is amended to read:

119.23 (7) (am) 2m. a. An independent financial audit of the private school conducted by an independent certified public accountant, accompanied by the auditor's statement that the report is free of material misstatements and fairly presents the private school's eligible education expenses, and beginning in the 2nd school year a private school participates in the program under this section, a copy of the management letter prepared by the auditor. The If the private school annually received a total of at least \$100,000 under this section and ss. 115.7915 and 118.60 in any school year, the audit shall be prepared in accordance with generally accepted accounting principles with allowable modifications for long-term fixed assets. If the private school has not annually received a total of at least \$100,000 under this section and ss. 115.7915 and 118.60 in any school year, the audit shall be prepared as prescribed by the department by rule. The audit shall include a calculation of the private school net eligible education expenses and a calculation of the balance of the private school's fund for future eligible education expenses. The auditor shall conduct his or her audit, including determining sample sizes and evaluating financial viability, in accordance with the auditing standards established by the American Institute of Certified Public Accountants. The department may not require an auditor to comply with standards that exceed the scope of the standards established by the American Institute of Certified Public Accountants. If a private school participating in a program under this section is part of an organization and the private school and the organization share assets, liabilities, or eligible education expenses, the private school may submit an audit of the private school or

of the organization of which it is a part. If a private school that is part of an organization with which it shares assets, liabilities, or eligible education expenses submits an audit of only the private school, the independent auditor shall use his or her professional judgment to allocate any shared assets, liabilities, and eligible education expenses between the organization and the private school. If a private school participating in the program under this section also accepts pupils under s. 115.7915 or 118.60, the private school may submit one comprehensive financial audit to satisfy the requirements of this subdivision and s. ss. 115.7915 (6) (e) and 118.60 (7) (am) 2m., whichever are applicable. The private school shall include in the comprehensive financial audit the information specified under s. 118.60 (7) (am) 2m.

**SECTION 90.** 119.23 (7) (an) 1. of the statutes is amended to read:

119.23 (7) (an) 1. A private school participating in the program under this section shall maintain a cash and investment balance that is at least equal to its reserve balance. If a private school does not maintain a cash and investment balance that is at least equal to its reserve balance, the private school shall refund the reserve balance to the department. If a private school ceases to participate in or is barred from the program under this section and s. 118.60 and the private school's reserve balance is positive, the private school shall refund the reserve balance to the department.

**SECTION 91.** 119.23 (7) (ao) of the statutes is repealed.

**SECTION 92.** 119.23 (7) (d) 2. of the statutes is repealed.

**SECTION 93.** 119.23 (7) (em) 1. of the statutes is amended to read:

119.23 (7) (em) 1. Beginning in the 2013-14 school year, the The governing body of each private school participating in the program under this section shall, subject to subd. 2., annually, by January 15 August 1, provide the department with evidence demonstrating that the private school remains accredited for the current school year as required under par. (ad), except that in the 2017-18 school year the governing body shall submit the evidence by January 15, 2018. The governing body shall include as evidence of accreditation a letter prepared by an accrediting entity that confirms that the private school is accredited by that entity as of the date of the letter.

**SECTION 94.** 119.23 (7) (h) of the statutes is created to read:

119.23 (7) (h) Beginning in the 2018-19 school year, each private school participating in the program under this section shall conduct criminal background investigations of its employees and exclude from employment any person not permitted to hold a teaching license as the result of an offense and any person who might reasonably be believed to pose a threat to the safety of others.

**SECTION 95.** 119.23 (7m) of the statutes is created to read:

119.23 (7m) (a) By May 1 before the first school term that a private school participates in the program under this section or s. 118.60, a private school shall submit to the department one of the following:

1. A surety bond payable to the state in an amount equal to 25 percent of the total amount of payments the private school expects to receive under this section and s. 118.60 during the first school year the private school participates in the program under this section.

(b) 1. If a private school submits a surety bond under par. (a) 1., the private school shall annually provide, by May 1, a surety bond payable to the state until the private school submits all of the following to the department:

a. A financial audit prepared in accordance with generally accepted accounting principles with allowable modifications for long-term fixed assets that does not contain any indicators that the private school is not financially viable.

b. Evidence of sound fiscal and internal control practices under sub. (7) (am) 2m. b. for the school year in the financial audit submitted under subd. 1. a. and for the subsequent school year, neither of which indicates that the private school is not financially viable.

2. A private school shall provide a surety bond under this paragraph in an amount equal to 25 percent of the total amount of payments the private school expects to receive under this section and s. 118.60 during the following school year.

(c) If a private school submits a complete anticipated budget under par. (a) 2., the department shall determine whether the private school is financially viable by August 1. If the department determines that the private school is not financially viable, the private school is not eligible to participate in the program under this section or s. 118.60 in the current school year.

**SECTION 96.** 119.23 (10) (a) 1. of the statutes is amended to read:

119.23 (10) (a) 1. Misrepresented Intentionally or negligently misrepresented any information required under sub. (7) (d) this section or any rule promulgated under this section.

**SECTION 97.** 119.23 (10) (a) 4. of the statutes is repealed.

**SECTION 98.** 119.23 (10) (a) 5. of the statutes is amended to read:

119.23 (10) (a) 5. Failed to provide the information required under sub. (6m) or (6p).

**SECTION 99.** 119.23 (10) (a) 6. of the statutes is amended to read:

119.23 (10) (a) 6. Failed to comply with the requirements under sub. (7) (b) ~~or (c), or (h) or (7m).~~

**SECTION 100.** 119.23 (10) (am) 4. of the statutes is created to read:

119.23 (10) (am) 4. The private school intentionally or negligently misrepresented any information required under this section or any rule promulgated under this section.

**SECTION 101.** 121.90 (1) (f) (intro.) of the statutes is amended to read:

121.90 (1) (f) (intro.) In the 2015–16 and 2016–17 school year and in each school year thereafter years, the “number of pupils enrolled” shall include a number equal to the sum of the pupils residing in the school district who attend any of the following on the 3rd Friday of September of each appropriate school year:

**SECTION 102.** 121.90 (1) (g) of the statutes is created to read:

121.90 (1) (g) In the 2017–18 school year and in each school year thereafter, the “number of pupils enrolled” shall include the total number of pupils residing in the school district who on the 3rd Friday of September of each appropriate school year attend a charter school established under a contract with an entity under s. 118.40 (2r) (b) 1. e. to h. or a charter school established under a contract with the director under s. 118.40 (2x).

**SECTION 103.** 121.91 (4) (n) 1. of the statutes is amended to read:

121.91 (4) (n) 1. The limit otherwise applicable to a school district under sub. (2m) in any school year is increased by an amount equal to the amount determined for that school district under s. ss. 115.7915 (4m) (f) and 118.60 (4d) (b) 1.

**SECTION 104. Initial applicability.**

(1) The treatment of sections 118.60 (3) (a) (intro.) and 1m. and (ar) (intro.), 1., 2., and 3. (intro.), a., am., and b. and 119.23 (3) (a) (intro.) and 1. of the statutes first applies to applications for the 2018–19 school year.

(2) The treatment of sections 118.60 (2) (a) 3g., (7) (d) 2., and (7m) and 119.23 (2) (a) 3g., (7) (d) 2., and (7m) of the statutes first applies to a private school that first participates in a program under section 118.60 or 119.23 of the statutes in the 2018–19 school year.

(3) The treatment of sections 115.7915 (6) (e), 118.60 (7) (am) 2m. a., and 119.23 (7) (am) 2m. a. of the statutes first applies to financial audits for the 2017–18 school year.

**SECTION 105. Effective date.**

(1) The treatment of section 20.255 (1) (j) (by SECTION 2) of the statutes takes effect on July 1, 2018.