



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-1246/P1  
TKK:jld:md

DOA:.....Hanle, BB0289 – MPCP – going concerns

**FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

Under current law, private schools participating in the Milwaukee Parental Choice Program (MPCP) must annually submit to DPI evidence of sound fiscal practices and financial viability, as prescribed by DPI by rule. DPI's administrative rules set forth circumstances that would indicate that a private school participating in the MPCP does not have sound fiscal practices or is not financially viable.

This bill establishes circumstances that would indicate that a private school participating in the MPCP does not possess sound fiscal practices or the financial ability to continue educational programming operations.

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

**SECTION 1.** 119.23 (5) of the statutes is renumbered 119.23 (5) (b).

**SECTION 2.** 119.23 (5) (a) of the statutes is created to read:

119.23 (5) (a) A private school participating in the program under this section shall immediately notify the department of a decision to cease educational programming operations.

**SECTION 3.** 119.23 (7m) of the statutes is created to read:

119.23 (7m) (a) Evidence of any of the following circumstances may indicate that a private school participating in the program under this section does not utilize sound fiscal practices, is not financially viable, or does not have the financial ability to continue educational programming operations:

1. The private school's budget and statement of cash flows reveal that the private school has inadequate revenues and other financial resources to fund current operations.

2. The audit opinion statement submitted by the private school as required under sub. (7) (am) 1. contains a qualification as to the private school's ability to continue as a going concern.

3. The private school failed to make a payment to a vendor for services provided to the private school or to an employee or other individual for expenses incurred on behalf of the private school within 90 days of receipt of invoice or payment request or as per written agreement, or has failed to make payments to an employee pursuant to a written document specifying compensation and dates for payment, as indicated in a written communication from the vendor, employee, or other individual.

4. The private school failed to make a filing with or withholding payment to the federal Internal Revenue Service, the Wisconsin department of revenue, or the Wisconsin department of workforce development as indicated in a written communication from one of these agencies.

5. An audit, required of the private school by a federal or state agency or local governmental unit and provided to the department of public instruction in compliance with reporting requirements promulgated by the department pursuant to sub. (11), contained questioned costs or findings related to compliance that may affect the private school's ability to continue.

6. The private school failed to refund to the department the amount of any overpayment made to the private school under sub. (4) (b) or (bg) or (4m), or the amount of any payment made to the private school for a pupil ineligible to attend the private school under this section.

(b) If the department determines that any of the circumstances under par. (a) applies to a private school, the private school shall, upon written request, provide to the department any information required by the department, including an audit of the private school's financial statements in accordance with generally accepted accounting principles, to permit the department to determine whether the private school is utilizing sound fiscal practices, is financially viable, or is financially able to continue educational programming operations.

(END)