



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1594/P2
FFK:amn

DOA:.....Hynek, BB0290 - Choice operating budget

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

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

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

This bill prohibits DPI from requiring a private school participating in a parental choice program to submit an annual operating budget to DPI as evidence of the private school's fiscal and internal control practices or of its financial viability. The prohibition applies only if the private school is not a new private school and the private school is in good standing with DPI.

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

SECTION 1. 118.60 (7) (am) 2m. b. of the statutes is amended to read:

118.60 (7) (am) 2m. b. Evidence of sound fiscal and internal control practices, as prescribed by the department by rule. The department may not require a private school that is not a new private school and that is in good standing with the

department to submit to the department the private school's annual operating budget as evidence of its fiscal and internal control practices. An independent auditor engaged to evaluate the private school's fiscal and internal control practices shall conduct his or her evaluation, including determining sample sizes, in accordance with attestation standards established by the American Institute of Certified Public Accountants. The independent auditor engaged to evaluate the private school's fiscal and internal control practice shall also review any concerns raised in the private school's management letter submitted under subd. 2m. a. The fact that a private school reports a negative reserve balance alone is not evidence that the private school does not have the financial ability to continue operating or that the private school does not follow sound fiscal and internal control practices.

SECTION 2. 118.60 (7) (d) 2. of the statutes is amended to read:

118.60 (7) (d) 2. Evidence of financial viability, as prescribed by the department by rule. The department may not require a private school that is not a new private school and that is in good standing with the department to submit to the department the private school's annual operating budget as evidence of its financial viability.

SECTION 3. 119.23 (7) (am) 2m. b. of the statutes is amended to read:

119.23 (7) (am) 2m. b. Evidence of sound fiscal and internal control practices, as prescribed by the department by rule. The department may not require a private school that is not a new private school and that is in good standing with the department to submit to the department the private school's annual operating budget as evidence of its fiscal and internal control practices. An independent auditor engaged to evaluate the private school's fiscal and internal control practices shall conduct his or her evaluation, including determining sample sizes, in accordance with attestation standards established by the American Institute of

Certified Public Accountants. The independent auditor engaged to evaluate the private school's fiscal and internal control practice shall also review any concerns raised in the private school's management letter submitted under subd. 2m. a. The fact that a private school reports a negative reserve balance alone is not evidence that the private school does not have the financial ability to continue operating or that the private school does not follow sound fiscal and internal control practices.

SECTION 4. 119.23 (7) (d) 2. of the statutes is amended to read:

119.23 (7) (d) 2. Evidence of financial viability, as prescribed by the department by rule. The department may not require a private school that is not a new private school and that is in good standing with the department to submit to the department the private school's annual operating budget as evidence of its financial viability.

(END)