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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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**2003 Assembly Bill 847**

**Assembly Substitute  
Amendment 1**

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2003 Assembly Bill 847 relates to the Milwaukee Parental Choice Program (MPCP). Assembly Substitute Amendment 1 to the bill does the following:

1. ***Accounting/Fiscal Management of MPCP Schools.*** Under *current law*, MPCP schools are subject to uniform financial accounting standards established by the Department of Public Instruction (DPI) and must annually submit to DPI an independent financial audit of the school.

The *substitute amendment* requires that the audit be conducted by a certified public accountant and include a statement by the auditor that the audit report is free of material misstatements and fairly presents pupil costs. The audit must be limited in scope to those records that are necessary for DPI to make payments to parents whose children are attending the MPCP school. The audit and auditor's statement must be submitted annually by September 1 following a school year in which the school participated in the MPCP.

The substitute amendment provides that an MPCP school also must annually submit to DPI by September 1 evidence of sound fiscal practices, as prescribed by administrative rule promulgated by DPI.

It also provides that by August 1 before a school first participates in the MPCP (or by May 1 if MPCP participation will begin during summer school), the school must submit to DPI: (a) evidence of financial viability, as prescribed by administrative rule promulgated by DPI; and (b) proof that the school administrator has participated in a fiscal management training program approved by DPI.

2. ***Pupil Performance.*** Under *current law*, each MPCP school must meet at least one of the following four standards: (a) at least 70% of MPCP pupils advance one grade level each year; (b) an average attendance rate for MPCP pupils of at least 90%; (c) at least 80% of

MPCP pupils demonstrate significant academic progress; or (d) at least 70% of families of MPCP pupils meet parent involvement criteria established by the school. (Current administrative rules require an MPCP school to submit a report to DPI by October 15 each year indicating the criteria used to measure if the standards were met.) Current statutes require DPI to monitor the performance of pupils attending MPCP schools, and current administrative rules require each MPCP school to report to DPI by June 30 each year providing evidence that the school has met at least one of the four standards in that school year. Under current statutes, if DPI determines that none of the four standards was met, the school cannot participate in the MPCP in the *following* school year.

The *substitute amendment* repeals the requirement that DPI monitor the performance of pupils attending the school. The substitute amendment provides that the State Superintendent may issue an order barring a school from participating in the MPCP *in the current school year* if the State Superintendent (Superintendent) determines that the school failed to meet at least one of the four standards by the date specified in an administrative rule promulgated by DPI.

3. ***Health and Safety. Current statutes*** require that an MPCP school meet all health and safety laws or codes that apply to public schools. Currently, administrative rules promulgated by DPI require that an MPCP school submit to DPI by August 1 prior to participation in the MPCP (or by May 1 if MPCP participation will begin during summer school) a certificate of occupancy (CO) (not a temporary CO) issued by the City of Milwaukee.

The *substitute amendment* essentially codifies in the statutes this requirement in current administrative rules. The substitute amendment also specifies that if a school moves to a new location, a new CO must be submitted to DPI before pupils attend school there and before the next pupil count date (third Friday of September or second Friday of January).

The substitute amendment also specifies that the Superintendent may issue an order *immediately terminating* a school's participation in the MPCP if the Superintendent determines that conditions at the school present an imminent threat to the health or safety of pupils.

4. ***Consequences for Noncompliance.*** In addition to the potential consequences for noncompliance noted in items 2. and 3., above, the *substitute amendment* provides the following:
  - a. Barring Participation in Current School Year. The Superintendent *may* issue an order barring participation in the MPCP in the *current school year* if the Superintendent determines that the school has done any of the following:
    - (1) Misrepresented information about: (a) the school's CO; or (b) for schools first participating in the MPCP, evidence of financial viability or proof of the school administrator's participation in an approved fiscal management training program.
    - (2) Failed to file with DPI any of the following by the applicable deadline: (a) the notice required by February 1 of the previous school year that the school intends to participate in the MPCP; (b) the audit, auditor's statement, and evidence of sound

fiscal practices discussed in item 1., above; (c) the school's CO; or (d) for schools first participating in the MPCP, evidence of financial viability or proof of the school administrator's participation in an approved fiscal management training program.

- (3) Failed to refund any overpayment by the date specified in administrative rule promulgated by DPI.
  - (4) Failed to meet at least one of the four standards relating to pupil performance discussed in item 2., above, by the date specified in administrative rule promulgated by DPI.
- b. Immediate Termination. As noted in item 3., above, the Superintendent *may* issue an order immediately *terminating* a school's participation in the MPCP if the Superintendent determines that conditions at the school present an imminent threat to the health or safety of pupils.
  - c. Withholding Payment. The Superintendent *may* withhold payment from a parent or guardian of a pupil attending an MPCP school if the school violates any provision of the MPCP statute (s. 119.23, Stats.).
  - d. Notification of Parents. If the Superintendent issues an order barring participation in the MPCP in the current school year or immediately terminating participation in the MPCP, the Superintendent must immediately notify the parent or guardian of each pupil attending the school.
5. ***Initial Applicability.*** The ***substitute amendment*** provides that the act first applies to schools that participate in the MPCP in the 2004-05 school year.

### **Legislative History**

2003 Assembly Bill 247 was recommended for passage by the Assembly Committee on Education Reform on a vote of Ayes, 12; Noes, 0. Assembly Substitute Amendment 1 to the bill was subsequently offered by Representatives Sinicki and Jensen. (Assembly Amendment 1 to Assembly Substitute Amendment 1 was tabled on a vote of Ayes, 59; Noes, 37.) The substitute amendment was adopted by the Assembly on a voice vote. The Assembly then passed the bill, as amended, on a vote of Ayes, 87; Noes, 8.

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