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**WISCONSIN LEGISLATIVE COUNCIL  
AMENDMENT MEMO**

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<b>2005 Assembly Bill 700</b>	<b>Assembly Substitute Amendment 1</b>
<i>Memo published:</i> November 16, 2005	
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**2005 ASSEMBLY BILL 700**

Assembly Bill 700 creates an autism scholarship program that has the following features:

**Eligibility for Scholarship**

A child with a disability is eligible for a scholarship if: (a) the school district in which the child resides or that the child is attending has identified the child as autistic; (b) that school district has in effect an individualized education program (IEP) for the child; and (c) the child was enrolled in a public school in the prior school year or is eligible to enter public school in the school year in which a scholarship is first sought.

The Department of Public Instruction (DPI) must award a scholarship to an eligible child upon receipt of an application from the child's parent. The scholarships may be awarded only in the 2006-07 and 2007-08 school years. However, no more than 200 scholarships may be awarded in any school year.

**Types of Facilities at Which a Scholarship May Be Used**

The scholarship may be used only to pay tuition for a child to attend a special education program that implements the child's IEP. The program must be operated by one of the following:

- A school district other than the school district in which the child resides or that the child is attending.
- "Another" public entity (that is, a public entity other than a school district).
- A private provider approved by DPI. (This may or may not be a private school.) DPI is required to establish standards for the approval of private providers and may not approve a

private provider unless the person providing special education or related services holds the appropriate license issued by DPI.

**Scholarship Amount**

The scholarship amount per eligible pupil is the lesser of: (a) \$15,000; or (b) the amount of actual tuition charged by the special education program.

**Funding for Scholarship Program**

The bill provides that these scholarship pupils are counted in the resident school district's pupil membership count. Thus, they help generate aid for the resident school district.

However, DPI is required to annually decrease each school district's state equalization aid payment by an amount equal to the total amount of scholarships awarded for pupils residing in the school district who are attending a special education program elsewhere under a scholarship. If the general equalization aids are insufficient to cover the reduction, DPI must decrease other state aid payments to the school district by the remaining amount.

DPI must ensure that this aid reduction does not affect the amount of equalization aid determined to be received by the school district for any other purpose. (This means that the amount of equalization aid used in other calculations (such as revenue limit calculation) is not reduced by the amount of the aid reduction. Thus, the school district may not increase its property tax levy to compensate for any state aid loss.)

**DPI Rule-Making Authority**

DPI is required to promulgate administrative rules to implement and administer the scholarship program, including procedures and deadlines for scholarship applications, payment schedules for the scholarships, and standards for approving private providers.

DPI is authorized to promulgate emergency rules to implement this program without providing evidence that an emergency rule is necessary.

**Legislative Audit Bureau Audit**

The Legislative Audit Bureau (LAB) is requested to perform a financial and performance audit of the scholarship program based on data for the 2006-07 school year and, if the audit is conducted, to report the results by December 31, 2007.

**ASSEMBLY SUBSTITUTE AMENDMENT 1 TO ASSEMBLY BILL 700**

Assembly Substitute Amendment 1 to Assembly Bill 700 would make the following changes to the bill:

1. Provide that the scholarships are to be awarded in the 2007-08 and 2008-09 school years (rather than the 2006-07 and 2007-08 school years).

2. Provide that the requested LAB audit would be based on data for the 2007-08 school year (rather than the 2006-07 school year) and, if the audit is conducted, with the report filed by December 31, 2008 (rather than December 31, 2007).
3. Amend the compulsory attendance laws to specify that pupils attending a special education program under a scholarship are not considered to be truant. (The substitute amendment accomplishes this by specifying that pupils attending a program operated by a public entity other than a public school or by a private provider that is not a private school under a scholarship may substitute this attendance for attending a public or private school.)
4. Create a sum sufficient appropriation to DPI from which the scholarships would be awarded.

**Legislative History**

Assembly Substitute Amendment 1 was offered by Representative Rhoades. The Assembly Committee on Education recommended adoption of the amendment on a vote of Ayes, 6; Noes, 5. The committee recommended the bill, as amended, for passage on a vote of Ayes, 7; Noes, 4.

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