

subject to sub (2)(a) 70 e o s

Insert X

① 7. a., or, ~~for~~ for a private school to which sub. (2) (a) 7. c. applies, the Institute for the
2 Transformation of Learning at Marquette University, as long as the private school
3 continues to participate in the program under this section.

4 **SECTION 14.** 119.23 (7) (em) of the statutes is created to read:

5 119.23 (7) (em) 1. Subject to subd. 2., beginning in the 2013-14 school year, the
6 governing body of each participating private school shall annually, by January 15,
7 provide the department with evidence demonstrating that the private school
8 remains accredited for the current school year as required under par. (ad). The
9 governing body shall include as evidence of accreditation a letter prepared by one of
10 the accrediting entities or organizations identified under sub. (2) (a) 7. a. or, ~~for~~ for a
11 private school to which sub. (2) (a) 7. c. applies, subject to sub (2)(a) 70 e o s the Institute for the Transformation
12 of Learning at Marquette University, that confirms that the private school is
13 accredited by that entity or organization as of the date of the letter.

14 2. A participating private school shall immediately notify the department if its
15 accreditation status with one of the entities or organizations identified under sub.
16 (2) (a) 7. a., or, ~~for~~ subject to sub (2)(a) 70 e o s for a private school to which sub. (2) (a) 7. c. applies, the Institute for
17 the Transformation of Learning at Marquette University, changes.

18 **SECTION 15.** 119.23 (7) (f) of the statutes is repealed.

19 **SECTION 16.** 119.23 (9) of the statutes is amended to read:

20 119.23 (9) If any accrediting agency specified under sub. (2) (a) 7. ~~a, b,~~ or d.
21 determines during the accrediting or preaccrediting process that a private school
22 does not meet all of the requirements under s. 118.165 (1), it shall report that failure
23 to the department.

Insert 9-24

24 **SECTION 17.** 119.23 (10) (am) 1. of the statutes is amended to read:

~~For a private school to which sub. (2) (a) 7. c. applies, the Institute for the Transformation of Learning at Marquette University,~~

strike "a."

1 119.23 (10) (am) 1. The private school has not complied with the requirement
2 requirements under sub. (7) (f) (em).

3 SECTION 18. 119.23 (10) (ar) of the statutes is created to read:

4 119.23 (10) (ar) 1. If the state superintendent determines that a private school
5 has failed to continuously maintain accreditation as required under sub. (7) (ad),
6 that the governing body of the private school has withdrawn the private school from
7 the accreditation process, or that the private school's accreditation has been revoked

8 by one of the entities or organizations identified in sub. (2) (a) 7. a. or for a private

9 school to which sub. (2) (a) 7. c. applies, the Institute for the Transformation of
10 Learning at Marquette University, the state superintendent shall issue an order
11 barring the private school's participation in the program under this section at the end
12 of the current school year.

13 2. A private school whose participation in the program under this section is
14 barred under subd. 1. may not participate in the program under this section until the
15 governing body of the private school demonstrates to the satisfaction of the
16 department that it has obtained accreditation from an accrediting entity or
17 organization identified under sub. (2) (a) 7. a. other than the entity or organization
18 with which the private school failed to continuously maintain accreditation or, if the
19 private school's accreditation was revoked, other than the entity or organization that
20 revoked the private school's accreditation.

21 SECTION 19. 119.23 (10) (c) of the statutes is amended to read:

22 119.23 (10) (c) Whenever the state superintendent issues an order under par.
23 (a), (am), (ar), or (b), he or she shall immediately notify the parent or guardian of each
24 pupil attending the private school under this section.

25 SECTION 20. 119.23 (11) (c) of the statutes is created to read:

~~sub. (2) (a) 7. c. (e)~~

if applicable

IN 10-25

1 119.23 (11) (c) Within 10 days after receiving the information submitted as
2 required under sub. (7) (em), notify the participating private school of receipt and
3 approval of accreditation status.

4 **SECTION 21. Nonstatutory provisions.**

5 (1) Notwithstanding sections 118.60 (7) (em) 1. and 119.23 (7) (em) 1. of the
6 statutes, as created by this act, within 45 days after the effective date of this
7 subsection, the governing body of each private school participating in the program
8 under section 118.60 or 119.23 of the statutes in the 2012-13 school year shall submit
9 to the department of public instruction evidence demonstrating the accreditation
10 status of the private school. If applicable, the governing body of the participating
11 private school shall include as evidence of accreditation a letter prepared by one of
12 the accrediting entities or organizations identified under section 118.60 (2) (a) 7. or
13 119.23 (2) (a) 7. a. of the statutes, or, for a private school to which section 119.23 (2)
14 (a) 7. c. of the statutes applies, the Institute for the Transformation of Learning at
15 Marquette University, that confirms that the private school is accredited by that
16 entity or organization as of the date of the letter.

17 (2) If a private school described in subsection (1) fails to comply with the
18 notification requirement under subsection (1), the state superintendent of the
19 department of public instruction shall issue an order barring the private school's
20 participation in the programs under sections 118.60 and 119.23 of the statutes
21 beginning in the 2013-14 school year.

22 (END)

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Insert 11-22 B

INSERT 8-13

1 **SECTION 1.** 119.23 (2) (a) 7. d. of the statutes is amended to read:

2 119.23 (2) (a) 7. d. For a private school that was approved for scholarship
3 funding for the 2005-06 school year by Partners Advancing Values in Education and
4 is participating in the program under this section on November 19, 2011, the private
5 school achieves accreditation by ~~Wisconsin North Central Association, Wisconsin~~
6 ~~Religious and Independent Schools Accreditation, Independent Schools Association~~
7 ~~of the Central States, Wisconsin Evangelical Lutheran Synod School Accreditation,~~
8 ~~National Lutheran School Accreditation, the diocese or archdiocese within which the~~
9 ~~private school is located, or any other organization recognized by the National~~
10 ~~Council for Private School Accreditation, one of the entities or organizations~~
11 ~~identified under subd. 7. a. by December 31, 2015. If the private school is accredited~~
12 ~~as provided under this subd. 7. d., the private school is not required to obtain~~
13 ~~preaccreditation under subd. 7. b. as a prerequisite to providing instruction under~~
14 ~~this section in additional grades or in an additional or new school.~~

History: 1989 a. 336; 1993 a. 16; 1995 a. 27 ss. 4002 to 4009, 9145 (1); 1995 a. 216; 1997 a. 27, 113; 1999 a. 9; 2001 a. 16, 105; 2003 a. 33, 155; 2005 a. 25, 125; 2009 a. 28, 96; 2011 a. 32, 47; 2013 a. 8; s. 13.92 (2) (i); s. 35.17 correction in (4) (d) (intro.)

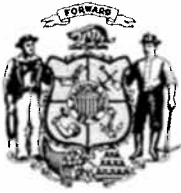
INSERT 11-22 **A**

15 **SECTION 2. Initial applicability.**

16 (1) The treatment of section 118.60 (2) (a) 7. **(b)** of the statutes, with respect to
17 the requirement that a private school participating in the parental choice program
18 under section 118.60 of the statutes, as affected by this act, apply for accreditation
19 by December 31 of the school year in which the private school first participates in,
20 or reenters, the parental choice program under section 118.60 of the statutes, as
21 affected by this act, first applies to a private school that begins participation in, or

1 reenters, the parental choice program under section 118.60 of the statutes, as
2 affected by this act, after the effective date of this subsection.

3 (2) The treatment of section 119.23 (2) (a) 7. br. of the statutes, with respect to
4 the requirement that a private school participating in the parental choice program
5 under section 119.23 of the statutes, as affected by this act, apply for accreditation
6 by December 31 of the school year in which the private school first participates in,
7 or reenters, the parental choice program under section 119.23 of the statutes, as
8 affected by this act, first applies to a private school that begins participation in, or
9 reenters, the parental choice program under section 119.23 of the statutes, as
10 affected by this act, after the effective date of this subsection.



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1408/P2
TKK:kjfjf

Insert

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SA

e

1 **AN ACT** *to repeal* 118.60 (2) (b) and 119.23 (2) (a) 3m.; *to amend* 20.255 (1) (j)
 2 (title), 20.255 (2) (fv) (title), 118.60 (title), 118.60 (2) (a) (intro.), 118.60 (2) (a)
 3 3. a., 119.23 (2) (a) (intro.), 119.23 (2) (a) 3. and 119.23 (10) (a) 2.; and *to create*
 4 118.60 (1) (bn), 118.60 (1) (dm), 118.60 (2) (ag), 118.60 (2) (ar), 118.60 (7) (ao),
 5 118.60 (7) (aq), 118.60 (7) (as), 118.60 (7) (at), 118.60 (10) (e), 118.60 (11) (c) and
 6 (d), 119.23 (1) (ai), 119.23 (1) (au), 119.23 (2) (ag), 119.23 (2) (ar), 119.23 (7) (ao),
 7 119.23 (7) (aq), 119.23 (7) (as), 119.23 (7) (at), 119.23 (10) (e) and 119.23 (11) (c)
 8 and (d) of the statutes; **relating to:** requirements for new private schools
 9 seeking to participate in a parental choice program. ✓

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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

Begin Inset 1-8

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

2 20.255 (1) (j) (title) *Milwaukee Parental Choice Program and the parental*
3 *choice programs in other program for eligible school districts; financial audits.*

4 SECTION 2. 20.255 (2) (fv) (title) of the statutes is amended to read:

5 20.255 (2) (fv) (title) *Milwaukee Parental Choice Program and the parental*
6 *choice programs in other program for eligible school districts; transfer pupils.*

7 SECTION 3. 118.60 (title) of the statutes is amended to read:

8 **118.60 (title) Parental choice programs program for eligible school**
9 **districts.**

10 SECTION 4. 118.60 (1) (bn) of the statutes is created to read:

11 118.60 (1) (bn) "New private school" means a school that satisfies either of the
12 following:

13 1. The school qualifies as a private school under s. 115.001 (3r), but has never
14 operated in this state.

15 2. The school is operating as a private school, as defined under s. 115.001 (3r),
16 ~~and provides education to a minimum of 40 pupils divided into 2 or more grades.~~
satisfies all of the following: a. The school
has been in continuous operation for less than 12 consecutive months

17 SECTION 5. 118.60 (1) (dm) of the statutes is created to read:

18 118.60 (1) (dm) "Qualified organization" means an organization that satisfies
19 at least one of the following:

20 1. The organization has been involved in underwriting school loans averaging
21 \$500,000 or more for at least 5 years.

22 2. The organization has been involved in auditing schools for at least 5 years.

23 SECTION 6. 118.60 (2) (a) (intro.) of the statutes is amended to read:

NOTE: Please carefully review this definition to ensure that it
accomplishes your intent.

The school is not participating in the program under this section or under s. 118.23

1 118.60 (2) (a) (intro.) Subject to ~~par. (b)~~ pars. (ag) and (ar), any pupil in grades
2 kindergarten to 12 who resides within an eligible school district may attend any
3 private school if all of the following apply:

4 **SECTION 7.** 118.60 (2) (a) 3. a. of the statutes is amended to read:

5 118.60 (2) (a) 3. a. Except as provided in subd. 3. b. and sub. (2) (ag) 1., the
6 private school notified the state superintendent of its intent to participate in the
7 program under this section, and paid the nonrefundable fee set by the department
8 as required under s. 119.23 (2) (a) 3., by February 1 of the previous school year. The
9 notice shall specify the number of pupils participating in the program under this
10 section for which the school has space.

*end
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11 **SECTION 8.** 118.60 (2) (ag) of the statutes is created to read:

*begin
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3-17*

12 118.60 (2) (ag) The governing body of a new private school shall comply with
13 all of the following before the new private school may participate in the program
14 under this section:

15 1. By August 1 of the school year immediately preceding the school year in
16 which the new private school intends to participate in the program under this
17 section, complete and submit to the department the following on forms provided by
18 the department:

19 a. A notice of intent to participate and agreement to comply with procedural
20 requirements.

21 b. A financial information report.

22 2. a. By August 1 of the school year immediately preceding the school year in
23 which the new private school intends to participate in the program under this
24 section, submit to the department the information required under sub. (6m) (c).

1 b. If, at the time the new private school submits the information required under
2 subd. 2. a., the new private school does not have a physical property within which the
3 private school intends to operate, submit a mailing address of an administrator of
4 the private school.

5 c. If the new private school modifies any document submitted under this
6 subdivision, notify the department of any such modification within 30 days after the
7 modification is made.

8 3. By August 1 of the school year immediately preceding the school year in
9 which the new private school intends to participate in the program under this
10 section, submit to the department a statement indicating what criteria the new
11 private school will use to meet the standards under sub. (7) (a).

12 4. By August 1 of the school year immediately preceding the school year in
13 which the new private school intends to participate in the program under this
14 section, submit to the department one of the following:

15 a. A copy of the school's current certificate of occupancy issued by the
16 municipality within which the school is located. In this subd. 4. a., "municipality"
17 has the meaning given in s. 5.02 (11).

18 b. The address of a prospective property identified to be used as the new private
19 school's school building.

20 5. By November 1 of the school year immediately preceding the school year in
21 which the new private school intends to participate in the program under this
22 section, submit to the department an evaluation and financial review of the new
23 private school completed by a qualified organization. The review required under this
24 section shall contain all of the following:

1 a. An evaluation and analysis of the experience level, comprehensiveness, and
2 lines of authority in the school design team, the leadership team, and the board of
3 governance of the new private school, with an emphasis on the appropriateness of
4 the process established to provide for school oversight. To evaluate the new private
5 school under this subd. 5. a., the qualified organization shall review the resumes of
6 the design team, leadership team, and governing body of the new private school
7 together with the bylaws of the new private school and a narrative description of the
8 leadership and governance structure of the new private school.

9 b. An evaluation and analysis of proposed financial plans of the new private
10 school in order to determine overall financial health, consistency of budget
11 projections with the education plan, and consistency of financial projections with
12 typical school operations. To evaluate the new private school under this subd. 5. b.,
13 the qualified organization shall review the proposed 5-year operating budget, the
14 incubation budget, enrollment plans and projections, and a narrative description of
15 financial and operating systems for the new private school.

16 c. An evaluation and analysis of plans for the school building proposed to be
17 used for the new private school, including certainty regarding the opening or
18 operation of the new private school, the apparent viability of the new private school,
19 and whether the budget and education plans for the new private school are
20 consistent with the plans for the proposed school building. To evaluate the new
21 private school under this subd. 5. c., the qualified organization shall review any letter
22 of intent, lease, or purchase agreement for the proposed school building; a written
23 description of the number and types of classrooms and other pupil spaces in the
24 proposed school building; a written description of the existing condition of the
25 proposed school building and school grounds; whether the proposed school building

1 is in compliance with all applicable building and safety codes; a timeline for
2 acquisition, development, or improvement of the proposed school building; a budget
3 and financing plan for any proposed or required renovations to the proposed school
4 building; a list of any team members to be involved in any proposed or required
5 improvements, including the architect, contractor, and owner's representative of the
6 proposed school building; a description of the plan to manage renovations; and
7 whether and how financing will be required and managed.

8 6. By November 15 of the school year immediately preceding the school year
9 in which the new private school intends to participate in the program under this
10 section, submit to the department a proposed budget prepared by the administrator
11 of the new private school for the first fiscal period within which the new private
12 school will participate in the program. The proposed budget required under this
13 subdivision shall show anticipated enrollments for all pupils who will be attending
14 the new private school; anticipated enrollments for pupils who will be attending the
15 new private school under the program under this section; the minimum enrollment
16 threshold required to be met for all pupils who will be attending the new private
17 school for the new private school to be financially viable; the minimum enrollment
18 threshold required to be met for pupils attending the new private school under the
19 program under this section for the new private school to be financially viable;
20 estimated revenues and costs, and a schedule of anticipated beginning and ending
21 net choice program assets. The governing body of the new private school shall
22 identify in the proposed budget contingent funding sources the new private school
23 will use should actual enrollments be less than expected.

***NOTE: I'm not sure the meaning of "anticipated beginning and ending net choice program assets" is clear.

1 7. By November 15 of the school year immediately preceding the school year
2 in which the new private school intends to participate in the program under this
3 section, submit to the department on a form provided by the department monthly
4 cash flow requirements.

5 8. Notwithstanding the deadline to obtain preaccreditation under sub. (2) (a)
6 ⁷ by December 15 of the school year immediately preceding the school year in which
7 the new private school intends to participate in the program under this section,
8 obtain preaccreditation from an entity or organization identified in sub. (2) (a) 7. ⁷ _{ao}

9 9. By March 1 of the school year immediately preceding the school year in which
10 the new private school intends to participate in the program under this section,
11 submit the name of the audit firm the school will use.

**** NOTE: This draft creates four new instances in which an audit is required of a new private school. These four audits are in addition to the audit required under s. 118.60 (7) (am) 1. or 119.23 (7) (am) 1. Under ss. 118.60 (7) (at) and 119.23 (7) (at), the certified public accountant that prepares the audit must be different than the certified public accountant that prepares the audit under s. 118.60 (7) (am) 1. or 119.23 (7) (am) 1. Which auditor does this subdivision 9. refer to? May this auditor conduct all of the audits required under this bill?

12 10. Obtain written approval from the department as required under par. (ar).

13 **SECTION 9.** 118.60 (2) (ar) of the statutes is created to read:

14 118.60 (2) (ar) By December 31 of the school year immediately preceding the
15 school year in which the new private school intends to participate in the program
16 under this section, the department shall notify the new private school in writing
17 whether it has satisfied those requirements under par. (ag) that must be satisfied
18 before December 31. If the department determines that the new private school has
19 not satisfied those requirements, the new private school may not participate in the
20 program under this section in the following school year, but may immediately
21 reinstate the process under par. (ag).

***NOTE: The deadlines established for some of the requirements under ss. 118.60 (2) (ag) and 119.23 (2) (ag) fall after the December 31 deadline by which the department must notify a new private school whether it has satisfied the requirements. For that reason, I modified this paragraph to identify only those subdivisions that fall before the December 31 date.

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1 SECTION 10. 118.60 (2) (b) of the statutes is repealed.

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2 SECTION 11. 118.60 (7) (ao) of the statutes is created to read:

3 118.60 (7) (ao) By November 1 of the first school term in which a new private
4 school participates in the program under this section, the governing body of the
5 private school shall submit to the department on a form provided by the department
6 a budget reflecting the enrollments in the new private school on the immediately
7 preceding 3rd Friday in September and any related changes in revenues, costs, and
8 cash flow requirements.

9 SECTION 12. 118.60 (7) (aq) of the statutes is created to read:

10 118.60 (7) (aq) By November 15 of the first school term in which the new private
11 school participates in the program under this section, the governing body of that
12 private school shall submit to the department a report prepared by a certified public
13 accountant. The governing body of that private school may request approval from
14 the department to employ the internal audit staff of the private school to complete
15 the report required under this subdivision. The department may only permit the
16 internal audit staff of the private school to complete the report if the internal audit
17 staff meets standards of independence identified in generally accepted government
18 auditing standards. The governing body of that private school shall ensure that the
19 report submitted under this subsection satisfies all of the following requirements:

20 a. The report specifies whether the fiscal and internal control practices of the
21 private school comply with the fiscal and internal control practices required by the
22 department. Any statement by the certified public accountant that is contained in

1 the report and that relates to the private school's compliance may not rely upon oral
2 or written representations of the school's administration or staff.

3 b. The report is prepared in accordance with professional standards and
4 identifies any procedures agreed upon by the auditor and the department.

5 c. If the certified public accountant that prepared the report or, for a new
6 private school authorized by the department to employ internal audit staff, that
7 internal audit staff, determines that the private school is not in compliance, the
8 report contains the response of the governing body of the private school regarding
9 that determination, together with any corrective action the governing body is taking.

10 **SECTION 13.** 118.60 (7) (as) of the statutes is created to read:

11 118.60 (7) (as) 1. Obtain and submit to the department an audit of the
12 enrollment of the new private school after the first open application period in which
13 the new private school accepts pupils under this section. The audit shall identify
14 ineligible pupils and additional eligible pupils qualifying for the program.

*** NOTE: When must the new private school prepare and submit the audit required under this subdivision? That is, do you want to establish a date certain?

*** NOTE: Do you want to specify which auditor must complete this audit?

*** NOTE: How will the auditor identify "additional eligible pupils qualifying for the program"? Does this phrase refer to pupils who are currently enrolled in the private school but not under the program, or pupils within a certain municipality who may wish to attend the private school under the program if they were to be informed that they were eligible or does it have some other meaning?

15 2. In addition to the audit required under subd. 1., obtain and submit to the
16 department an audit of the enrollment of the private school after the 2nd open
17 application period in which the private school accepts pupils under this section.

18 **SECTION 14.** 118.60 (7) (at) of the statutes is created to read:

19 118.60 (7) (at) By November 15 of the school year immediately following a new
20 private school's first year of participation in the program under this section and by

1 September 1 of the subsequent school year, the governing body of that private school
 2 shall submit to the department an audit prepared by an independent certified public
 3 accountant, other than the independent certified public accountant engaged for the
 4 audit required under par. (am) 1., which separately audits the enrollment in the
 5 private school of pupils participating in the program under this section. The audit
 6 required under this subdivision shall identify any ineligible pupils for whom the
 7 private school received payment under sub. (4) or (4m) and the amount of payment
 8 received for each such pupil and any eligible pupils for whom the private school did
 9 not receive payment under sub. (4) or (4m) and the amount of payment for which the
 10 private school qualifies.

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11 **SECTION 15.** 118.60 (10) (e) of the statutes is created to read:

12 118.60 (10) (e) The state superintendent may, by December 1 immediately
 13 following the submission of the report required under sub. (7) (aq), issue an order
 14 barring the private school from participating in the program under this section in the
 15 following school year if, in the report required under sub. (7) (aq), the certified public
 16 accountant that prepared the report or, for a private school authorized by the
 17 department to employ internal audit staff, that internal audit staff, questions a going
 18 concern.

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19 **SECTION 16.** 118.60 (11) (c) and (d) of the statutes are created to read:

20 118.60 (11) (c) Determine whether an organization is a qualified organization
 21 eligible to review the financial, governance, and facility plans of a new private school
 22 and approve at least 2 qualified organizations to conduct the reviews required under
 23 sub. (2) (ag) 5.

24 (d) Review the audit submitted as required under sub. (7) (at) and notify the
 25 private school by the December 1 immediately following submittal of the audit

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1 whether or not the audit met the requirements necessary for the school to remain in
2 the program.

3 SECTION 17. 119.23 (1) (ai) of the statutes is created to read:

4 119.23 (1) (ai) "New private school" means a school that satisfies either of the
5 following:

6 1. The school qualifies as a private school under s. 115.001 (3r), but has never
7 operated in this state.

8 2. The school is operating as a private school, as defined under s. 115.001 (3r),
9 and provides education to a minimum of 40 pupils divided into 2 or more grades.

*satisfies all of the following: a) the school
b) the school has been in continuous operation for less than 12 consecutive months.*

10 SECTION 18. 119.23 (1) (au) of the statutes is created to read:

11 119.23 (1) (au) "Qualified organization" means an organization that satisfies
12 at least one of the following:

13 1. The organization has been involved in underwriting school loans averaging
14 \$500,000 or more for at least 5 years.

15 2. The organization has been involved in auditing schools for at least 5 years.

16 SECTION 19. 119.23 (2) (a) (intro.) of the statutes is amended to read:

17 119.23 (2) (a) (intro.) Any Subject to pars. (ag) and (ar), any pupil in grades
18 kindergarten to 12 who resides within the city may attend any private school if all
19 of the following apply:

20 SECTION 20. 119.23 (2) (a) 3. of the statutes is amended to read:

21 119.23 (2) (a) 3. Except as provided in ~~subd. 3m. b.~~ sub. (2) (ag) 1., the private
22 school notified the state superintendent of its intent to participate in the program
23 under this section, and paid a nonrefundable fee set by the department, by February
24 1 of the previous school year. The notice shall specify the number of pupils
25 participating in the program under this section for which the school has space. The

*a) the school is not participating in the program under this section or under 5011.001
b) the school*

1 department shall by rule set the fee charged under this subdivision at an amount
2 such that the total fee revenue covers the costs of employing one full-time auditor
3 to evaluate the financial information submitted by private schools under sub. (7)
4 (am) and (d) 2. and 3. and under s. 118.60 (7) (am) and (d) 2. and 3.

end
ins 5-19
5

SECTION 21. 119.23 (2) (a) 3m. of the statutes is repealed. ✓

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SECTION 22. 119.23 (2) (ag) of the statutes is created to read:

7 119.23 (2) (ag) The governing body of a new private school shall comply with
8 all of the following before the new private school may participate in the program
9 under this section:

10 1. By August 1 of the school year immediately preceding the school year in
11 which the new private school intends to participate in the program under this
12 section, complete and submit to the department the following on forms provided by
13 the department:

14 a. A notice of intent to participate and agreement to comply with procedural
15 requirements.

16 b. A financial information report.

17 2. a. By August 1 of the school year immediately preceding the school year in
18 which the new private school intends to participate in the program under this
19 section, submit to the department the information required under sub. (6m) (c).

20 b. If, at the time the new private school submits the information required under
21 subd. 2. a., the new private school does not have a physical property within which the
22 private school intends to operate, submit a mailing address of an administrator of
23 the private school.

1 c. If the new private school modifies any document submitted under this
2 subdivision, notify the department of any such modification within 30 days after the
3 modification is made.

4 3. By August 1 of the school year immediately preceding the school year in
5 which the new private school intends to participate in the program under this
6 section, submit to the department a statement indicating what criteria the new
7 private school will use to meet the standards under sub. (7) (a).

8 4. By August 1 of the school year immediately preceding the school year in
9 which the new private school intends to participate in the program under this
10 section, submit to the department one of the following:

11 a. A copy of the school's current certificate of occupancy issued by the
12 municipality within which the school is located. In this subd. 4. a., "municipality"
13 has the meaning given in s. 5.02 (11).

14 b. The address of a prospective property identified to be used as the new private
15 school's school building.

16 5. By November 1 of the school year immediately preceding the school year in
17 which the new private school intends to participate in the program under this
18 section, submit to the department an evaluation and financial review of the new
19 private school completed by a qualified organization. The review required under this
20 section shall contain all of the following:

21 a. An evaluation and analysis of the experience level, comprehensiveness, and
22 lines of authority in the school design team, the leadership team, and the board of
23 governance of the new private school, with an emphasis on the appropriateness of
24 the process established to provide for school oversight. To evaluate the new private
25 school under this subd. 5. a., the qualified organization shall review the resumes of

1 the design team, leadership team, and governing body of the new private school
2 together with the bylaws of the new private school and a narrative description of the
3 leadership and governance structure of the new private school.

4 b. An evaluation and analysis of proposed financial plans of the new private
5 school in order to determine overall financial health, consistency of budget
6 projections with the education plan, and consistency of financial projections with
7 typical school operations. To evaluate the new private school under this subd. 5. b.,
8 the qualified organization shall review the proposed 5-year operating budget, the
9 incubation budget, enrollment plans and projections, and a narrative description of
10 financial and operating systems for the new private school.

11 c. An evaluation and analysis of plans for the school building proposed to be
12 used by the new private school, including certainty regarding the opening or
13 operation of the new private school, the apparent viability of the new private school,
14 and whether the budget and education plans for the new private school are
15 consistent with the plans for the proposed school building. To evaluate the new
16 private school under this subd. 5. c., the qualified organization shall review any letter
17 of intent, lease, or purchase agreement for the proposed school building; a written
18 description of the number and types of classrooms and other pupil spaces in the
19 proposed school building; a written description of the existing condition of the
20 proposed school building and school grounds; whether the proposed school building
21 is in compliance with all applicable building and safety codes; a timeline for
22 acquisition, development, or improvement of the proposed school building; a budget
23 and financing plan for any proposed or required renovations to the proposed school
24 building; a list of any team members to be involved in any proposed or required
25 improvements, including the architect, contractor, and owner's representative of the

1 proposed school building; a description of the plan to manage renovations; and
2 whether and how financing will be required and managed.

3 6. By November 15 of the school year immediately preceding the school year
4 in which the new private school intends to participate in the program under this
5 section, submit to the department a proposed budget prepared by the administrator
6 of the new private school for the first fiscal period within which the new private
7 school will participate in the program. The proposed budget required under this
8 subdivision shall show anticipated enrollments for all pupils who will be attending
9 the new private school; anticipated enrollments for pupils who will be attending the
10 new private school under the program under this section; the minimum enrollment
11 threshold required to be met for all pupils who will be attending the new private
12 school for the new private school to be financially viable; the minimum enrollment
13 threshold required to be met for pupils attending the new private school under the
14 program under this section for the new private school to be financially viable;
15 estimated revenues and costs; and a schedule of anticipated beginning and ending
16 net choice program assets. The governing body of the new private school shall
17 identify in the proposed budget contingent funding sources the new private school
18 will use should actual enrollments be less than expected.

19 7. By November 15 of the school year immediately preceding the school year
20 in which the new private school intends to participate in the program under this
21 section, submit to the department on a form provided by the department monthly
22 cash flow requirements.

23 8. Notwithstanding the deadline to obtain preaccreditation under sub. (2) (a)
24 ^{bmo} 7^f by December 15 of the school year immediately preceding the school year in which

1 the new private school intends to participate in the program under this section,
2 obtain preaccreditation from an entity or organization identified in sub. (2) (a) 7. ^a (a) ^{bmo}

3 9. By March 1 of the school year immediately preceding the school year in which
4 the new private school intends to participate in the program under this section,
5 submit the name of the audit firm the school will use.

6 10. Obtain written approval from the department as required under par. (ar).

7 **SECTION 23.** 119.23 (2) (ar) of the statutes is created to read:

8 119.23 (2) (ar) By December 31 of the school year immediately preceding the
9 school year in which the new private school intends to participate in the program
10 under this section, the department shall notify the new private school in writing
11 whether it has satisfied those requirements under par. (ag) that must be satisfied
12 before December 31. If the department determines that the new private school has
13 not satisfied those requirements, the new private school may not participate in the
14 program under this section in the following school year, but may immediately
15 reinstate the process under par. (ag).

16 **SECTION 24.** 119.23 (7) (ao) of the statutes is created to read:

17 119.23 (7) (ao) By November 1 of the first school term in which the new private
18 school participates in the program under this section, the governing body of the
19 private school shall submit to the department on a form provided by the department
20 a budget reflecting the enrollments in the new private school on the immediately
21 preceding 3rd Friday in September and any related changes in revenues, costs, and
22 cash flow requirements.

23 **SECTION 25.** 119.23 (7) (aq) of the statutes is created to read:

24 119.23 (7) (aq) By November 15 of the first school term in which the new private
25 school participates in the program under this section, the governing body of that

1 private school shall submit to the department a report prepared by a certified public
2 accountant. The governing body of that private school may request approval from
3 the department to employ the internal audit staff of the private school to complete
4 the report required under this subdivision. The department may only permit the
5 internal audit staff of the private school to complete the report if the internal audit
6 staff meets standards of independence identified in generally accepted government
7 auditing standards. The governing body of that private school shall ensure that the
8 report submitted under this subsection satisfies all of the following requirements:

9 a. The report specifies whether the fiscal and internal control practices of the
10 private school comply with the fiscal and internal control practices required by the
11 department. Any statement by the certified public accountant that is contained in
12 the report and that relates to the private school's compliance may not rely upon oral
13 or written representations of the school's administration or staff.

14 b. The report is prepared in accordance with professional standards and
15 identifies any procedures agreed upon by the auditor and the department.

16 c. If the certified public accountant that prepared the report or, for a new
17 private school authorized by the department to employ internal audit staff, that
18 internal audit staff, determines that the private school is not in compliance, the
19 report contains the response of the governing body of the private school regarding
20 that determination, together with any corrective action the governing body is taking.

21 **SECTION 26.** 119.23 (7) (as) of the statutes is created to read:

22 119.23 (7) (as) 1. Obtain and submit to the department an audit of the
23 enrollment of the new private school after the first open application period in which
24 the new private school accepts pupils under this section. The audit shall identify
25 ineligible pupils and additional eligible pupils qualifying for the program.

2. In addition to the audit required under subd. 1., obtain and submit to the department an audit of the enrollment of the private school after the 2nd open application period in which the private school accepts pupils under this section.

SECTION 27. 119.23 (7) (at) of the statutes is created to read:

119.23 (7) (at) By November 15 of the school year immediately following a new private school's first year of participation in the program under this section and by September 1 of the subsequent school year, the governing body of that private school shall submit to the department an audit prepared by an independent certified public accountant, other than the independent certified public accountant engaged for the audit required under par. (am) 1., which separately audits the enrollment in the private school of pupils participating in the program under this section. The audit required under this subdivision shall identify any ineligible pupils for whom the private school received payment under sub. (4) or (4m) and the amount of payment received for each such pupil and any eligible pupils for whom the private school did not receive payment under sub. (4) or (4m) and the amount of payment for which the private school qualifies.

SECTION 28. 119.23 (10) (a) 2. of the statutes is amended to read:

119.23 (10) (a) 2. Failed to provide the notice or pay the fee required under sub. (2) (a) 3. or 3m. b., or provide the information required under sub. (7) (am) or (d), by the date or within the period specified.

SECTION 29. 119.23 (10) (e) of the statutes is created to read:

119.23 (10) (e) The state superintendent may, by December 1 immediately following the submission of the report required under sub. (7) (aq), issue an order barring a new private school from participating in the program under this section in the following school year if, in the report required under sub. (7) (aq), the certified

End Insert

119-6 private

10-25-23

End
Insert
10-25

1 public accountant that prepared the report or, for a private school authorized by the
2 department to employ internal audit staff, that internal audit staff, questions a going
3 concern.

Begin
Insert
11-4

4 SECTION 30. 119.23 (11) (c) and (d) of the statutes are created to read:

5 119.23 (11) (c) Determine whether an organization is a qualified organization
6 eligible to review the financial, governance, and facility plans of new private school
7 and approve at least 2 qualified organizations to conduct the reviews required under
8 sub. (2) (ag) 5.

9 (d) Review the audit submitted as required under sub. (7) (at) and notify the
10 private school by the December 1 immediately following submittal of the audit
11 whether or not the audit met the requirements necessary for the school to remain in
12 the program.

End
Insert
11-4

13 SECTION 31. Effective dates. This act takes effect on the day after publication,
14 except as follows:

Begin
Insert
11-22
B

15 (1) The treatment of section 118.60 (2) (b) of the statutes takes effect on July
16 1, 2013.

Handwritten
11-22
B

17

or on the day after publication whichever is later (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1358/P2dn

TKK:cjs:jm

March 21, 2013

today's date

be required to do so by December 31 of the second school year and would

Please note that in the event this bill passes after July 1, 2013 but before the end of the 2013-14 school year, a private school that is in its first year of participation in the program and/or has not yet applied for accreditation would not be required to apply for accreditation in its first year of participation in the program, but would still be required to obtain accreditation by December 31 of the 4th school year of participation. Senator Olsen:

Okay?

I have modified this draft to in response to input received from DPI and School Choice Wisconsin at the February 20 meeting. As you review the draft, please note the following changes:

and have incorporated LRB-1408 into this LRB-1358/P2

1. I renumber and amend s. 118.60 (2) (a) 7. and substantially restructure s. 119.23 (2) (a) 7. b. to require that all participating private schools apply for accreditation by December 31 of the first year in which the school participates in the program, or reenters the program, and obtain accreditation by December 31 of the 4th school year of participation in the program. I repeal s. 119.23 (7) (f), as the requirement under that paragraph is now incorporated into s. 119.23 (2) (a) 7. bg. and br.

2. I create ss. 118.60 (10) (ar) and 119.23 (10) (ar), which require DPI to bar a private school that has failed to continuously maintain accreditation as required under ss. 118.60 (7) (ad) and 119.23 (7) (ad) from participating in the program in the next school year and until the school has obtained accreditation.

3. In the previous draft, DPI was permitted to bar a private school that failed to notify DPI of its accreditation status from participating in the program in the current school year. I removed this provision from ss. 118.60 (10) (a) and 119.23 (10) (a) and instead permit DPI to bar the private school from participating in the program in the next school year under ss. 118.60 (10) (am) and 119.23 (10) (am).

4. This draft requires private schools that are accredited with the Institute for the Transformation of Learning at Marquette University to achieve accreditation from another accrediting entity or organization by December 31, 2016.

In our meeting, representatives of School Choice Wisconsin requested that I create a provision in the statutes that would require a private school accredited by an entity or organization that is "removed from statute" to seek accreditation from another entity or organization within 3 years. I'm not sure how to draft this provision. In part, I am concerned that, without identifying the offending entity or organization in some way, this requirement would fail to provide adequate notice to private schools. The list of accrediting organizations and entities provided in the statutes is intentionally broad and vague (to include umbrella organizations) and includes a catch-all. How does the private school know when an accrediting entity or organization included in a catch-all

Please advise if you believe this is a problem

Also, is it possible that a private school would begin participation in or reenter the program at any time during a school year? If for example, a private school reentered the program on December 20th, it may be difficult for that school to apply for accreditation by December 31 of that school year.

or under an umbrella organization is no longer acceptable to DPI? And at what point does the 3-year time period for changing the accrediting entity or organization kick in?

I recommend that, if DPI determines that an accrediting entity or organization is no longer acceptable, the statues be amended to explicitly identify the entity or organization (as PAVE and ITLMU are identified in s. 119.23 (2) (a) 7.). Alternatively, the statues could require DPI to maintain a list of acceptable accrediting entities or organizations and to notify private schools when an accrediting entity or organization no longer comports with DPI's standards. Under this latter alternative, the 3-year timeline could be triggered when DPI provides the notice to private schools.

Let me know if you have any questions or concerns or wish to make any changes to this draft.

Tracy K. Kuczenski
Legislative Attorney
Phone: (608) 266-9867
E-mail: tracy.kuczenski@legis.wisconsin.gov

50 Note that I have eliminated the lengthy, and duplicative lists of preaccrediting and accrediting entities and organizations throughout ss. 118.60(2)(a) 7, and 119.23(2)(a) 7., and have inserted in place of the lists a cross-reference to "the entities and organizations identified under ss 119.23(2)(a) 7 to a0." This subsection paragraph does not include ITLMU, but does include the National Council for Private School Accreditation. Okay?

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1358/P2dn
TKK:cjs:jf

April 11, 2013

Senator Olsen:

I have modified this draft to in response to input received from DPI and School Choice Wisconsin at the February 20 meeting and have incorporated LRB-1408 into this LRB-1358/P2. As you review the draft, please note the following changes:

1. I renumber and amend s. 118.60 (2) (a) 7. and substantially restructure s. 119.23 (2) (a) 7. b. to require that all participating private schools apply for accreditation by December 31 of the first year in which the school participates in the program, or reenters the program, and obtain accreditation by December 31 of the 4th school year of participation in the program. I repeal s. 119.23 (7) (f), as the requirement under that paragraph is now incorporated into s. 119.23 (2) (a) 7. bg. and br.

Please note that, in the event his bill passes after July 1, 2013 but before the end of the 2013-14 school year, a private school that is in its first year of participation in the program and/or has not yet applied for accreditation would not be required to apply for accreditation in its first year of participation in the program, but would be required to do so by December 31 of the second school year, and would still be required to obtain accreditation by December 31 of the 4th school year of participation. Okay?

Also, is it possible that a private school would begin participation in or reenter the program at any time during a school year? If, for example, a private school reentered the program on December 20th, it may be difficult for that school to apply for accreditation by December 31 of that school year. Please advise if you believe this is a problem.

2. I create ss. 118.60 (10) (ar) and 119.23 (10) (ar), which require DPI to bar a private school that has failed to continuously maintain accreditation as required under ss. 118.60 (7) (ad) and 119.23 (7) (ad) from participating in the program in the next school year and until the school has obtained accreditation.

3. In the previous draft, DPI was permitted to bar a private school that failed to notify DPI of its accreditation status from participating in the program in the current school year. I removed this provision from ss. 118.60 (10) (a) and 119.23 (10) (a) and instead permit DPI to bar the private school from participating in the program in the next school year under ss. 118.60 (10) (am) and 119.23 (10) (am).

4. This draft requires private schools that are accredited with the Institute for the Transformation of Learning at Marquette University to achieve accreditation from another accrediting entity or organization by December 31, 2016.

In our meeting, representatives of School Choice Wisconsin requested that I create a provision in the statutes that would require a private school accredited by an entity or organization that is “removed from statute” to seek accreditation from another entity or organization within 3 years. I’m not sure how to draft this provision. In part, I am concerned that, without identifying the offending entity or organization in some way, this requirement would fail to provide adequate notice to private schools. The list of accrediting organizations and entities provided in the statutes is intentionally broad and vague (to include umbrella organizations) and includes a catch-all. How does the private school know when an accrediting entity or organization included in a catch-all or under an umbrella organization is no longer acceptable to DPI? And at what point does the 3-year time period for changing the accrediting entity or organization kick in?

I recommend that, if DPI determines that an accrediting entity or organization is no longer acceptable, the statutes be amended to explicitly identify the entity or organization (as PAVE and ITLMU are identified in s. 119.23 (2) (a) 7.). Alternatively, the statutes could require DPI to maintain a list of acceptable accrediting entities or organizations and to notify private schools when an accrediting entity or organization no longer comports with DPI’s standards. Under this latter alternative, the 3-year timeline could be triggered when DPI provides the notice to private schools.

5. Note that I have eliminated the lengthy and duplicative lists of preaccrediting and accrediting entities and organization throughout ss. 118.60 (2) (a) 7. and 119.23 (2) (a) 7., and have inserted in place of the lists a cross-reference to “the entities and organizations identified under s. 119.23 (2) (a) 7. a.” This subdivision paragraph does not include ITLMU, but does include the National Council for Private School Accreditation. Okay?

Let me know if you have any questions or concerns or wish to make any changes to this draft.

Tracy K. Kuczenski
Legislative Attorney
Phone: (608) 266-9867
E-mail: tracy.kuczenski@legis.wisconsin.gov

Kuczenski, Tracy

From: Archibald, Sarah
Sent: Wednesday, April 24, 2013 4:54 PM
To: 'Jim Bender' (bender@parentchoice.org); Kulow, Chris; Kuczenski, Tracy; Kammerud, Jennifer DPI (Jennifer.Kammerud@dpi.wi.gov)
Cc: Merdler, Michelle
Subject: FW: Accreditation Bill Comments

Hi all,

Thank you for reviewing LRB 1358/p2. Attached you will find DPI's response to SCW's review as well as their general comments. Chris and I met today to go over SCW and DPI comments and determine next steps.

Going off the numbering on SCW's document, these are still-unresolved:

2, 6, 9, 13-16, 20, 21, 24, 25

Because it isn't just one or two items, we believe the best course of action is to set up another meeting where we can hopefully hammer out answers. Jim and Jennifer, please forward to all of your relevant people, and let Michelle know who from your organizations needs to be at this next meeting.

Also, you will note in the DPI general comments that they did not receive the drafter's note, so I sent that to them this afternoon. There may be additional points of discussion based on that as well.

Hopefully we can find time next week so we can continue to move toward the finish line here!

Thanks,
Sarah

From: Kammerud, Jennifer DPI [<mailto:Jennifer.Kammerud@dpi.wi.gov>]
Sent: Monday, April 22, 2013 4:10 PM
To: Archibald, Sarah
Cc: Collins, Tricia DPI; Soldner, Robert DPI; Thompson, Michael DPI; Pahnke, Brian D. DPI
Subject: Accreditation Bill Comments



4-22-13 DPI



4-22-13 LRB

Response to JBe... 1358-2 DPI Com...

Sarah,

Attached you will find both DPI's comments and our responses to Jim's suggestions. There are a few questions that still need to be answered.

Jennifer

Jennifer Kammerud
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Department of Public Instruction
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<http://dpiconnected.dpi.wi.gov/>

http://news.dpi.wi.gov/eis_newsfeeds

http://dpi.wi.gov/subscribe_dpilistserv

*There seems to be some confusion over requiring different auditors for different audits. The same CPA can do all of the audits, except for the ones DPI does. All of the audits should be done by CPAs and should using general accounting practices.

1. Page 3, line 5-6. “The school provides education to a minimum of 40 pupils divided into 2 or more grades.

This should state that a school provides education to less than 40 pupils divided into 2 or fewer grades.

This intent was to prevent a day care or tiny school from claiming they were already in existence for more than 12 consecutive months.

Agreed. See DPI’s response to start up schools.

2. Page 3, lines 10-12 – Replace the two criteria with language stating:

“1. A demonstrated track record of providing school loans averaging at least \$500,000 over a period of at least five years”

“2. A demonstrated track record of providing school auditing services to a school(s) in any of the parental choice programs over the past five years”

The department would like more clear language for this definition. In addition, the department would like the criteria drafted as a determinate not a DPI approval process. The department believed there was a specific organization that SCW was trying to acknowledge. We would like to discuss the implications of this language with you further.

3. Page 4 lines 11-15, The list of accreditation agencies and preaccreditation agencies approved are different. The National Council for Private Schools Accreditation should be permitted to accredit, but should not be permitted to preaccredit. Agreed

4. Page 6, line 7, This should not be the Financial Information Report. This should be the deadline for new private schools to apply for the evaluation and financial review by the qualified organization. Agreed

5. Page 6, line 8-10, All this does is require signed statements by the school’s governing board. Is this the intent? It leaves out a lot of other required policies. I think it should be 6m (a). Agreed

6. Page 6, line 13-14 add “or parent organization” after “of an administrator of a private school”

The rationale behind this is that it is not unusual for a school to not have an administrator hired at this point.

DPI does not agree with this change. A parent organization is not responsible legally for the school. They cannot sign the commitments to meet the requirements of the program and be held responsible. See DPI’s response related to the choice administrator.

7. Page 7, line 1-3, school's cannot submit occupancy permits this early. This should be the occupancy permit or a prospective property identified. The actual occupancy permit if not submitted here should be due by the August 1st immediately before school starts. So if school starts Sep 1 2013, This should be due August 1 2013.

DPI feels this provision is already reflected in the draft.

8. Page 7, line 4, should say "at least 1 prospective property."

No concerns with this change.

9. Page 8 line 20-21, remove "prepared by the administrator."

The rationale is that anyone should be able to prepare it.

This language would be part of what we would strike (see DPI response).

10 Page 9, drafter's question between 8 and 9. I was wondering where she got this...Did DPI submit this language? It should just say "beginning and ending net assets." The language is taken from administrative rule. It needs to be specific to choice program assets.

11. Page 9, drafter questions/notes at the end of the page. The auditors preparing the information under 118.60 (7) (at) and 199.23 (7) (17) should not have to be different than the other auditors. Additionally, not all of the audits for new private schools should be in addition to the other audits, they should just be at a different time.

Schools should, and will probably want to, be able to use the same auditors to complete the required reports.

12. Page 10, line 1, I'm not sure I Understand the reason this line is included?

Agreed

13 Page 12 lines 2-5, auditor question. This should be 30 days.

This language should be struck.

14. Page 12 Note 3 The "additional eligible pupils" in line 5 is taken from PI 35.04 (9)(a). It refers to applications marked ineligible but were actually eligible. Note is not relevant given the language we feel should be struck.

15. Page 12, lines 6-8, 30 day deadline.

This language should be struck.

16. Page 12, lines 10-19, this can be the same auditor. General Accounting Practices must apply.

This language should be struck.

17. Page 14, line 2 should state, “ or that the private school’s accreditation has been revoked or denied or terminated” No concerns with this change.

The rationale behind this is that the accrediting agencies use different language when revoking accreditation.

18. Page 14 lines 6-13, Schools should be able to use the same accreditation agency. (This is a change from our original notes) because the second time around agencies should be on alert and strict.)

19. Page 14, lines 19-25 This should state “issue an order immediately barring the private school from participating in the program under this section...” in stead of “in the following year.”

20. Require the department to notify the school within 30 days after the school submits each required document if it is accepted or denied, even if the required information is submitted early. If the school submits requirements early, it may use the current forms available on the Department’s website. If forms are amended or revised after the school submits documentation, the form the school used at the time it submitted the required information is still valid.

What required documents must the department give notice of acceptance or denial within 30 days? Many forms are specific for certain time periods. To allow schools to submit documents early using the form available at that time will create issues. For example, the department does not allow a school that wishes to participate in the program in the 2014-15 school year complete the 13-14 intent to participate form. This form includes references to the auditor fee amount that will change each year and program requirements that could change from to year. In addition, a school should not be completing the budget form from a previous year which could include different state aid amounts. If there is a form schools would like available earlier please let us know and we can work to see if that is possible.

21. In 118.60 (11) (b) Add “forms” after “including changes to application or filing deadlines (and forms), but not....

DPI has deep concerns with adding forms. We would be unable to implement this statutory requirement as some forms are date sensitive, other times we need to change forms to recognize legislative changes that occur during the school year. When laws are passed related to the program, the department provides summaries of the changes to all participating schools at that time. It is not always possible to give schools notice prior to the beginning of the school year. For example, if the provisions in this draft pass and are effective immediately, it is not possible to give notice to schools prior to the beginning of the school year, which was July 1, 2012.

22. Add language stating that a school that does not maintain its accreditation, is not eligible to reapply for the program for a minimum of two years and until it is accredited again.

Agreed.

23. Require new private schools joining the Program to utilize a payroll service to assure payroll taxes to be remitted in a timely manner.

DPI has no concerns with this language.

24. Cover letter issues:

#1 last paragraph – it is not possible that a private school would begin participation in or reenter the program in the middle of a school year.

#4 – DPI does not determine which accrediting agencies are acceptable, as they are listed specifically in statute. The problem is when an agency either ceases to do business, or more likely, is no longer participating in the umbrella organization who is listed in statute. Under these cases the school should have 3 years to become accredited by a separate agency already listed in statute.

We didn't see the drafter's note, so I'm not sure what he is referring to here.

25. p 3 after line 6 add another section to the definition of a new private school that states

“e. The school is not operated or managed by a corporate board that currently operates or manages an existing school(s) in the program.”

Rationale: This will allow the HOPEs and LUMINS to start new schools without having to go through this process new private school enrollment process.

DPI would like to ensure that there is a definition somewhere of a corporate board given past experiences.

General Comments:

Throughout the draft the “governing body” of the private school is required to complete certain actions or submit reports. While most choice schools have a governing body, not all do. Perhaps the requirements should be consistent with current law and state the “private school” shall or “the administrator signing the intent to participate form,” etc.

The department believes the intent of the proposed draft can be accomplished with fewer statutory changes.

The department will need additional staff to administer these new requirements.

Page 2, Line 8: What if the school is a new startup school, not operating as a private school at the time of application? Would such a school would not meet all of the § 118.60(1)(bn)2, specifically, § 118.60(1)(bn)2.a, and then be subject to the new private school requirements?

Page 3, Lines 8-13: The department would like more clear language for this definition. In addition, the department would like the criteria drafted as a determinate not a DPI approval process.

Page 4 and throughout: As noted by SCW, the list of preaccrediting and accrediting organization is different.

Page 5, Line 16: “First” is removed. Why? Does this change anything?

Page 6, Line 10: Agree with SCW comments, the policies are under (a). The requirement for board signatures is under (c).

Page 6, Lines 13-14: The department needs a mailing address for the *administrator who signed the intent to participate*. This is what the current intent to participate form requires to ensure the administrator signing the form receive mailed correspondence from the department.

Page 6, Line 21: Schools only have to choose one of the standards under sub. (7)(a) and submit criteria for that one standard.

Page 8, Line 18 through Page 9, Line 8: Requiring a budget this early may not be helpful to the schools or department. Many new start-up schools will not have a location, staff, student enrollments, etc. on which to base a budget. It could then become an exercise of making the numbers work rather than a true budgeting process. The department believes “new private schools” will still be required to submit a budget by May 1 prior to the first school term along with all new schools applying for the program. DPI suggests maintaining current law requirements.

Page 9, drafter questions: The language is taken from administrative rule. It needs to be specific to choice program assets.

Page 11, Lines 3-25: The department believes this is too early to submit this report. Most schools, especially startup schools, will not have the information needed to complete the report. For example, auditors are to review certain payments for the prior 90 days. This would be extremely difficult under this proposed timeline. DPI suggests maintaining current law requirements.

Page 12, Lines 1-8: New schools often do not receive many applications during their first two open application periods. It is unclear how helpful for schools this requirement will be. Attendance cannot be audited at this time. In addition, it is unclear as to why this information would be submitted to DPI and what DPI would do with it. Schools can already ask their auditors to complete this type of audit; therefore, a statutory requirement is not needed.

Page 12, Lines 10-19: This provision does not work. This audit would have already been completed in the prior year under current law requirements. DPI suggests maintain current law requirements.

Page 13, Line 20: Should language be added to allow the department to terminate a school that fails to apply for accreditation by December 31? Similar to the current law, §119.23(10)(am) 1.

SCW Comment #20: What required documents must the department give notice of acceptance or denial within 30 days? Many forms are specific for certain time periods. To allow schools to submit documents early using the form available at that time will create issues. For example, the department does not allow a school that wishes to participate in the program in the 2014-15 school year complete the 13-14 intent to participate form. This form includes references to the auditor fee amount that will change each year and program requirements that could change from year to year. In addition, a school should not be completing the budget form from a previous year which could include different state aid amounts. If there is a form schools would like available earlier please let us know and we can work to see if that is possible.

SCW Comment #21: Unable to implement due to statutory changes that occur in the middle of a school year. When laws are passed related to the program, the department provides summaries of the changes to all participating schools at that time.

SCW Comment #25: The department believes a definition of corporate board would be helpful.

Comments/suggestions apply to language under both s. 119.23 and s. 118.60.

Kuczenski, Tracy

From: Archibald, Sarah
Sent: Friday, May 03, 2013 11:08 AM
To: Kuczenski, Tracy
Subject: FW: Accreditation Bill Comments
Attachments: Timeline updated with DPI response.xlsx; SCW response 042613[1].docx

Hi Tracy,

Here's another round of comments. Glad you can make it to the meeting. Hopefully we'll be able to resolve these issues so we can get this albatross off of us soon!

Have a good weekend,
Sarah

From: Carol Shires [<mailto:shires@parentchoice.org>]
Sent: Friday, April 26, 2013 1:17 PM
To: Archibald, Sarah
Cc: Jim Bender; Nycole Stawinoga; Terry Brown
Subject: Re: Accreditation Bill Comments

Hi Sarah,

I have attached a new timeline with all of the provisions in red (including some changes to our original proposal), in addition to a direct response to each of DPI's concerns in green. Not every provision is necessarily in the DPI responses. Reference the timeline chart for all of our provisions. Please let us know if you need additional information.

Carol Shires
Director of Operations
School Choice Wisconsin
Shires@parentchoice.org
414-319-9160

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From: James Bender <bender@parentchoice.org>
Date: Wednesday, April 24, 2013 8:57 PM
To: Nycole Stawinoga <stawinoga@parentchoice.org>, Carol Shires <shires@parentchoice.org>, Terence Brown <brown@parentchoice.org>
Subject: FW: Accreditation Bill Comments

More...

From: Sarah Archibald <Sarah.Archibald@legis.wisconsin.gov>
Date: Wed, 24 Apr 2013 16:53:39 -0500
To: PB 04 <bender@parentchoice.org>, Chris Kulow <chris.kulow@legis.wisconsin.gov>, <Tracy.Kuczenski@legis.wisconsin.gov>, Jennifer DPI Kammerud <Jennifer.Kammerud@dpi.wi.gov>
Cc: "Merdler, Michelle" <Michelle.Merdler@legis.wisconsin.gov>
Subject: FW: Accreditation Bill Comments

Hi all,

Thank you for reviewing LRB 1358/p2. Attached you will find DPI's response to SCW's review as well as their general comments. Chris and I met today to go over SCW and DPI comments and determine next steps.

Going off the numbering on SCW's document, these are still-unresolved:

2, 6, 9, 13-16, 20, 21, 24, 25

Because it isn't just one or two items, we believe the best course of action is to set up another meeting where we can hopefully hammer out answers. Jim and Jennifer, please forward to all of your relevant people, and let Michelle know who from your organizations needs to be at this next meeting.

Also, you will note in the DPI general comments that they did not receive the drafter's note, so I sent that to them this afternoon. There may be additional points of discussion based on that as well.

Hopefully we can find time next week so we can continue to move toward the finish line here!

Thanks,

Sarah

From: Kammerud, Jennifer DPI [<mailto:Jennifer.Kammerud@dpi.wi.gov>]
Sent: Monday, April 22, 2013 4:10 PM
To: Archibald, Sarah
Cc: Collins, Tricia DPI; Soldner, Robert DPI; Thompson, Michael DPI; Pahnke, Brian D. DPI
Subject: Accreditation Bill Comments

<<4-22-13 DPI Response to JBender Comments.docx>> <<4-22-13 LRB 1358-2 DPI Comments.docx>>

Sarah,

Attached you will find both DPI's comments and our responses to Jim's suggestions. There are a few questions that still need to be answered.

Jennifer

Jennifer Kammerud
Legislative Liaison
Department of Public Instruction
125 South Webster Street
Madison, WI 53707
(608) 266-7073 - jennifer.kammerud@dpi.wi.gov

<http://dpi.wi.gov>

<https://www.facebook.com/WisDPI>

<https://twitter.com/WisconsinDPI>

<http://www.youtube.com/WisconsinDPI>

<http://dpiconnected.dpi.wi.gov/>

http://news.dpi.wi.gov/eis_newsfeeds

http://dpi.wi.gov/subscribe_dpilistserv

received from
Sarah 5/3/13
p. 1 of 4

*There seems to be some confusion over requiring different auditors for different audits. The same CPA can do all of the audits, except for the ones DPI does. All of the audits should be done by CPAs and should using general accounting practices.

- ✓ 1. Page 3, line 5-6. "The school provides education to a minimum of 40 pupils divided into 2 or more grades.

This should state that a school provides education to less than 40 pupils divided into 2 or fewer grades.

This intent was to prevent a day care or tiny school from claiming they were already in existence for more than 12 consecutive months.

Agreed. See DPI's response to start up schools.

- ✓ 2. Page 3, lines 10-12 – Replace the two criteria with language stating:

"1. A demonstrated track record of providing school loans averaging at least \$500,000 over a period of at least five years"

"2. A demonstrated track record of providing school auditing services to a school(s) in any of the parental choice programs over the past five years"

The department would like more clear language for this definition. In addition, the department would like the criteria drafted as a determinate not a DPI approval process.

The department believed there was a specific organization that SCW was trying to acknowledge. We would like to discuss the implications of this language with you further.

- Eliminate the financial/governance review by an outside organization
- ★ 3. Page 4 lines 11-15, The list of accreditation agencies and preaccreditation agencies approved are different. The National Council for Private Schools Accreditation should be permitted to accredit, but should not be permitted to preaccredit. Agreed

- ✓ 4. Page 6, line 7, This should not be the Financial Information Report. This should be the deadline for new private schools to apply for the evaluation and financial review by the qualified organization. Agreed

→ No longer applicable since eliminated the financial/governance review by outside organization

- ✓ 5. Page 6, line 8-10, All this does is require signed statements by the school's governing board. Is this the intent? It leaves out a lot of other required policies. I think it should be 6m (a). Agreed

- ★ 6. Page 6, line 13-14 add "or parent organization" after "of an administrator of a private school"

The rationale behind this is that it is not unusual for a school to not have an administrator hired at this point.

→ search "governing body"
→ create definitions for preaccred & accrediting org.

DPI does not agree with this change. A parent organization is not responsible legally for the school. They cannot sign the commitments to meet the requirements of the program and be held responsible. See DPI's response related to the choice administrator.

- Provide online training or another mechanism to facilitate a change in administrators at any point

- ✓ 7. Page 7, line 1-3, school's cannot submit occupancy permits this early. This should be the occupancy permit or a prospective property identified. The actual occupancy permit if not submitted here should be due by the August 1st immediately before school starts. So if school starts Sep 1 2013, This should be due August 1 2013.

DPI feels this provision is already reflected in the draft.

- Eliminate requirement to designate address of prospective property this early

- ✓ 8. Page 7, line 4, should say "at least 1 prospective property."

No concerns with this change.

- Eliminate requirement to designate address of prospective property this early

- ✓ 9. Page 8 line 20-21, remove "prepared by the administrator." (all text on this page eliminated)

The rationale is that anyone should be able to prepare it.

This language would be part of what we would strike (see DPI response).

- ① Agreed, as long as a new administrator can be named later

- ✓ 10 Page 9, drafter's question between 8 and 9. I was wondering where she got this...Did DPI submit this language? It should just say "beginning and ending net assets." The language is taken from administrative rule. It needs to be specific to choice program assets.

- ok

- ✓ 11. Page 9, drafter questions/notes at the end of the page. The auditors preparing the information under 118.60 (7) (at) and 199.23 (7) (17) should not have to be different then the other auditors. Additionally, not all of the audits for new private schools should be in addition to the other audits, they should just be at a different time.

Schools should, and will probably want to, be able to use the same auditors to complete the required reports.

- Perhaps no longer applicable

- ✓ 12. Page 10, line 1, I'm not sure I Understand the reason this line is included?

Agreed

- ✓ 13 Page 12 lines 2-5, auditor question. This should be 30 days.

This language should be struck.

- Eliminate enrollment audits following first/second application periods.

* inc. in d-note enumeration of 118.60(2)2 (as) 5. re: only for newly joined org.

read 5/3/13
3 of 4

- ✓ 14. Page 12 Note 3 The “additional eligible pupils” in line 5 is taken from PI 35.04 (9)(a). It refers to applications marked ineligible but were actually eligible. Note is not relevant given the language we feel should be struck.
 - Agreed
- ✓ 15. Page 12, lines 6-8, 30 day deadline. This language should be struck.
 - No longer applicable
- ✓ 16. Page 12, lines 10-19, this can be the same auditor. General Accounting Practices must apply. This language should be struck.
 - No longer applicable
- ✓ 17. Page 14, line 2 should state, “or that the private school’s accreditation has been revoked or denied or terminated” No concerns with this change.

The rationale behind this is that the accrediting agencies use different language when revoking accreditation.

- ✓ 18. Page 14 lines 6-13, Schools should be able to use the same accreditation agency. (This is a change from our original notes) because the second time around agencies should be on alert and strict.)
- ✓ 19. *delete material beginning w/ "other than" on ln. 10 to end of ln 13*
Page 14, lines 19-25 This should state “issue an order immediately barring the private school from participating in the program under this section...” in stead of “in the following year.”
 - Remove December 1st deadline in line 19 since no longer applicable
 - * *remove section 22 from the bill*
- 20. Require the department to notify the school within 30 days after the school submits each required document if it is accepted or denied or if further revisions/edits are required, even if the required information is submitted early. If the school submits requirements early, it may use the current forms available on the Department’s website. If forms are amended or revised after the school submits documentation, the form the school used at the time it submitted the required information is still valid.
What required documents must the department give notice of acceptance or denial within 30 days? Many forms are specific for certain time periods. To allow schools to submit documents early using the form available at that time will create issues. For example, the department does not allow a school that wishes to participate in the program in the 2014-15 school year complete the 13-14 intent to participate form. This form includes references to the auditor fee amount that will change each year and program requirements that could change from to year. In addition, a school should not be completing the budget form from a previous year which could include different state aid amounts. If there is a form schools would like available earlier please let us know and we can work to see if that is possible.

rec'd 5/3/13
yofy

- DPI will need to either produce forms earlier or allow schools to use the existing forms. If the voucher amount would change, the budget can be adjusted accordingly. (To adjust for auditor fee changes, just include asterisk requiring the “current” amount due. If legislative changes, then require an updated form.)
- If forms cannot be submitted earlier, the entire intent of this draft is blocked.

21. In 118.60 (11) (b) Add “forms” after “including changes to application or filing deadlines (and forms), but not....
DPI has deep concerns with adding forms. We would be unable to implement this statutory requirement as some forms are date sensitive, other times we need to change forms to recognize legislative changes that occur during the school year. When laws are passed related to the program, the department provides summaries of the changes to all participating schools at that time. It is not always possible to give schools notice prior to the beginning of the school year. For example, if the provisions in this draft pass and are effective immediately, it is not possible to give notice to schools prior to the beginning of the school year, which was July 1, 2012.

✓ 22. Add language stating that a school that does not maintain its accreditation, is not eligible to reapply for the program for a minimum of two years and until it is accredited again.
Agreed.

23. Require new private schools joining the Program to utilize a payroll service to assure payroll taxes to be remitted in a timely manner.
DPI has no concerns with this language.

24. Cover letter issues:
#1 last paragraph – it is not possible that a private school would begin participation in or reenter the program in the middle of a school year.
#4 – DPI does not determine which accrediting agencies are acceptable, as they are listed specifically in statute. The problem is when an agency either ceases to do business, or more likely, is no longer participating in the umbrella organization who is listed in statute. Under these cases the school should have 3 years to become accredited by a separate agency already listed in statute.
We didn't see the drafter's note, so I'm not sure what he is referring to here.

No changes for now.

✓ 25. p 3 after line 6 add another section to the definition of a new private school that states
“e. The school is not operated or managed by a corporate board that currently operates or manages an existing school(s) in the program.”

Rationale: This will allow the HOPEs and LUMINS to start new schools without having to go through this process new private school enrollment process.
DPI would like to ensure that there is a definition somewhere of a corporate board given past experiences.

rec'd 5/3/13

1 of 2

Month	PI 35 Rule	Current Practice	Proposed Timeline for schools not in operations 12 months prior to the Aug. 1st deadline to submit to DPI the Intent to Participate Form and other requirements.	DPI RESPONSE	SCW compromise
					Expansion: Do not allow a new start up school to participate in the program until the 2nd year the program is instituted for a given district
13-Jul			Administrator Training for Startup Schools		KEEP: Offer quarterly administrator training or online version
13-Aug			Intent to Participate Form, Random Selection Plan, Student Rights Letter, Student app. Designee form, hours of instruction, application for pre accred., name of school/contacts, process/policies, academic standards, application due to IFF or similar organization for financial review of proposed budget, occupancy permit or prospective properties identified, and Initial Assurance Form due to DPI Aug. 1st for 2014-15 school year.	1) DPI forms are not ready this early, so most of this is REJECTED by default. 2) IFF style financial review app deadline okay, but if official intent not yet communicated to DPI, then irrelevant.	1) Remove IFF review app & prospective property identification, but KEEP remaining Aug 1st requirements. 2) Add initial budget to DPI with Intent to Participate Form August 1st. 3) Schools can submit these docs earlier, if desired. 4) DPI must give school initial response to all submitted requirements within 30 days, requesting revisions as needed; within 5 months of Intent to Participate submission, DPI must give provisional acceptance/denial.
13-Sep					
13-Oct					
13-Nov			School must submit to DPI completed financial review that is approved by IFF or similar organization by Nov. 1st; Budget and cash flow and minimum enrollment threshold budget due to DPI by November 15th for 2014-15 school year.	1) IFF review deadline approved (but DPI doesn't believe enough parts in place to do a reliable review anyway, so irrelevant.) 2) Budget & Cash flow deadline rejected	Remove IFF review.
13-Dec			Completed Preaccreditation due to DPI by Dec 15th for 2014-15 school year	Approved	KEEP
14-Jan	35.047(12)	Administrator Training DPI [119.23(7)(d)3.]	DPI must inform schools by Jan. 15th if they are eligible to date to accept applications February 1st.	No clear response, but little to approve yet.	DPI must respond to all submitted requirements within 30 days.
14-Feb	35.03(1) & 35.04(3)(a)=Intent; 35.03(1)(a) & 35.04(1)&(3)(b) & 35.05(5)=Random; 35.03(1m)=Auditor; 35.04(5)(a)=Designee	First Application Period is Feb 1 for 2014-15 School year; Intent to Participate Form[119.23(2)3.], Random Selection Plan [119.23(3)(a)], Student Rights Letter, Auditor Fee form[119.23(2)3.], Student app. Designee form, hours of instruction due to DPI for 2013-14 school year [119.23(2)8.]	First Application Period Feb 1. for 2014-15 School Year		KEEP
14-Mar			Submit name of Audit Firm to DPI by March 1; Auditor Enrollment check completed the first month after accepting applications	Reject idea of enrollment audit checkpoint this early.	Eliminate
14-Apr					
14-May	35.047(12)-Initial Assurances; 35.047(2)(b)-Budget & Cash Flow	Initial Assurance Form, budget and cash flow form due to DPI for 2013-14 school year.[119.23(7)(d)2.]			Revised budget & cash flow due to DPI May 1st
14-Jun					
14-Jul					
14-Aug	35.03(3)- Occ Permit; 35.047(7)-Insurance; 35.047(11)-fidelity	Occupancy permit [119.23(7)(b)7.(d)1.b.], certificate of insurance, fidelity bond, insurance requirements [119.23(7)(d)2.], pre accred.[119.23(2)7.b.], [name of school/contacts, name of gov body/shareholders, signatures of Board, non-profit status, process/policies, and academic standards due to DPI Aug. 1st for 2013-14 school year[119.23(6m)(a)&119.23(6m)(b)]&119.23(7)(b) (only some of these)]	Occupancy Permit, certificate of insurance, fidelity bond, and insurance requirements for 2014-15 School Year due Aug. 1st to DPI for schools that previously submitted a prospective properties form; Pre-third Fri-in-sept. min. enrollment threshold check by DPI by Aug. 30th; For earlier application periods DPI must certify whether or not the school meets its min. enroll. threshold check within ten 30 days following the end of the application period. -DPI informs school by September 1st if min. enroll. threshold is met. If it is not met the school may not continue to participate in the program. A school may not begin classes until this is accepted.	Early enrollment audits rejected by DPI.	Remaining docs (occ permit, insurance proof) due August 1st; Add use of payroll service requirement for new schools in first year of operation
14-Sep	35.04(6)&(7)	Third Friday Enrollment Count date; first payment sent to schools [119.23(4)(bg)to(d)]	Third Friday Enrollment Count date; first payment sent to schools		Same
14-Oct	35.047(2)(d)	Revised Budget due to DPI based on third Friday in September count date	Revised Budget due to DPI based on third Friday in September count date		Same
14-Nov	35.047(13)-fiscal; 35.04(9)-enroll audit	Fiscal Practices, Enrollment Audit performed	Fiscal Practices/Enrollment Audit performed and due to DPI Nov 15th	Nov 15 deadline for Fiscal Practices/Enrollment Audit rejected	1) Revert to current due date of Dec 15; 2) Add provision allowing new schools to collect residency/income documentation for apps found ineligible by the auditors during the fall enrollment audit.

read 5/3/13

282

14-Dec		Application for Accred. Due to DPI Dec 31st (119.23(7)(f))	DPI reviews fiscal practices and enrollment audit. If a going concern is found by the auditor, DPI may remove the school from the program. It must inform the school by Dec. 1st whether or not they may continue in the program in January 2015. Application for Accred. Due to DPI Dec. 31st.	Dec 1st approval rejected via unwillingness to move up the fall audit deadline.	Eliminate	
15-Mar			Auditor Enrollment check for second year of participation in program	Rejected	Eliminate	

✓ p. 3 Section 7 (or structure?) * Consolidated instructions from Senate
 Require by August - submit proposed budget & pay auditor's fee ^{from mty.}
 * school must pay fee in place for previous year (currently in process)
 * if fee goes up, school has to pay diff
 " " " down DPI will remit
 * Change instruction for procedure of account
 there is an intentional diff bet these schools

✓ p. 5 don't strike first as in 16
 ✓ p. 6 strike line 7
 ✓ line 10 add (bm)(ca) (to cc)
 ✓ strike 15-17
 ✓ in 21 strike "under" sub 7th of regular chosen
 ✓ strike 22-24
 ✓ p. 7, 8 strike
 ✓ p. 9 strike all of lines 13-17
 ✓ p. 10 strike line 10
 ✓ p. 11 strike section 14
 ✓ p. 12 strike § 15, § 16
 accreditor / accrediting agency
 preaccreditor / preaccrediting agency

u. 118.60(1) (ab) A.E.
 u. 118.60(1) (cm) P.E.
 u. 119.23(1) (ab) A.E.
 u. 119.23(1) (ap) P.E.



Goal: 30 day turn around?
8. sue state and have force a future
complete plan before FBI
proposed next week 12/15

remove "governor body" & replace "private school"

p. 11 remove section 14

p. 12 " section 15, 14

objective - within 30 days
current school that has lost accreditation

✓ p. 14, in 2 "or denied or terminated" after "revoked"

✓ p. 14, in 10 end after s. 119.23(2)(c) 7. (del. ^{rest of} in 10-13)

✓ p. 14 Section 22 - remove

✓ p. 15' strike 24

require ^{startup} new/schools to have payroll service vendor
service
require to submit

1.



prc
p. 12, 14, 15

Kuczenski, Tracy

From: Archibald, Sarah
Sent: Tuesday, May 21, 2013 11:19 AM
To: Sappenfield, Anne; Kuczenski, Tracy
Cc: Kulow, Chris; 'Jim Bender' (bender@parentchoice.org); Kammerud, Jennifer A - DPI
Subject: RE: governing bodies

Hi Anne and Tracy,

I like the option of drafting a definition of governing body specific to private schools as suggested below. It is clean, and it is clear.

Please go ahead with those changes, Tracy.

Thanks!
Sarah

From: Sappenfield, Anne
Sent: Monday, May 20, 2013 3:41 PM
To: Archibald, Sarah
Subject: governing bodies

Hi Sarah,

I spoke briefly with Tracy Kuczinski this morning, and I agree with her that there are two options for your bill draft. First, we could draft a definition of "governing body" specific to private schools that could be something like,

"Governing body" means the board appointed or elected to govern the school or, if no board is appointed or elected to govern the school, the principal or other person designated to govern the school.

Alternatively, we can draft it how we originally discussed—Tracy and I will go through the references to "governing body" and advise on the various references as to whether it works to simply refer to the private school or if you may want to consider specifying who would carry out the provision at the private school. For example, it is probably fine to say that DPI must reimburse the private school (instead of the governing body of the private school) for free breakfasts served, but you may want to specify who at the private school would establish the academic and graduation standards of a private school in the absence of a governing body.

I hope this makes sense. Let me know what you think!

Anne

Anne Sappenfield
Senior Staff Attorney
WI Legislative Council
(608) 267-9485

Kuczenski, Tracy

From: Archibald, Sarah
Sent: Tuesday, May 21, 2013 12:02 PM
To: Kuczenski, Tracy
Cc: Kulow, Chris
Subject: FW: Draft Language Related to Budget Requirements for Voucher Schools

Hi Tracy,

Here's what we were waiting for from DPI – let me know if you have questions.

Thanks!
Sarah

From: Soldner, Robert DPI [<mailto:Robert.Soldner@dpi.wi.gov>]
Sent: Tuesday, May 21, 2013 11:56 AM
To: Archibald, Sarah
Cc: Collins, Tricia DPI; Pahnke, Brian D. DPI; Kammerud, Jennifer DPI
Subject: Draft Language Related to Budget Requirements for Voucher Schools

Hello Sarah,

Jennifer asked that I forward DPI's thoughts on new private schools and the budget process. Based on our most recent conversation, DPI agreed to provide draft language related to the budget requirements for "new start-up schools" and schools first participating in the voucher programs. The idea is for new start-up schools to be able to submit advance budget materials and receive DPI "pre-approval" beginning in August (new law) and then all schools new to the voucher programs would meet the current administrative rule budget requirements due May 1 (the current rule requirement would become state law).

So for the 2014-15 SY, new start-up schools will be able to submit budget forms and materials on August 1, 2013 for DPI pre-approval by September 1, 2013. Then by May 1, 2014 both new start-up schools and all schools first participating in the voucher programs would need to submit the budget materials we currently require via administrative rules. The February 1st requirements would not change. If you agree with my understanding of the issues, then this is what we think works:

Proposal for New School Budgets

For "new start-up schools" due August 1 -- Create: 119.23(2)(ag)1.b. (and corresponding 118.60) New private schools shall complete, on forms provided by the department, a budget for the first fiscal period of participation in the program under this section showing anticipated enrollments for all pupils enrolled in the school and for choice program pupils, estimated revenues and costs, a schedule of anticipated beginning and ending net choice program assets, and a schedule of monthly cash flow requirements. The budget shall identify contingent funding sources the private school will use should actual enrollments be less than expected. The budget shall have a positive cash flow in each month and no operating deficit.

For schools first participating in the voucher programs-- Create: Section 119.23(7)(cm) (and corresponding 118.60). By May 1 before the first school term of participation in the program, each private school participating in the program under this section shall submit to the department on a form provided by the department a complete budget for the ensuring fiscal period showing anticipated enrollments for all pupils enrolled in the school and for choice program pupils, estimated revenues and costs, a schedule of anticipated beginning and ending net choice program assets, and a

schedule of monthly cash flow requirements. The budget shall identify contingent funding sources the private school will use should actual enrollments be less than expected.

In addition, I'd like to consider additional accreditation language specifying the grade levels served by the private schools. We are getting questions related to private schools that have been accredited for elementary grades and are now considering offering middle and/or high school grades. Under current law, DPI believes once a school has achieved accreditation it does not have to seek further accreditation if it adds additional grades.

see treatment to 119.23(2)

(a) 7. by.

118.60(2)(a) 7. b.

Please let me know if you have questions.

Bob Soldner, Director
School Management Services
(608) 266-7475

119.23(2)(a) 7. b.

7. d.

7. e.

cc. 119.23(2)(a) 3g.