

2015 DRAFTING REQUEST

Bill

Received: 11/13/2014 Received By: fknepp
Wanted: As time permits Same as LRB:
For: Administration-Budget 266-7329 By/Representing: Stritchko
May Contact: Drafter: fknepp
Subject: Education - choice programs Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email:
Carbon copy (CC) to: fern.knepp@legis.wisconsin.gov
sbostatlanguage@webapps.wi.gov
tracy.kuczenski@legis.wisconsin.gov

Pre Topic:

DOA:.....Stritchko, BB0234 -

Topic:

Various changes to parental choice programs

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	fknepp 11/24/2014			_____			
/P1	fknepp 1/13/2015	evinz 12/4/2014	rschluet 12/5/2014	_____	srose 12/5/2014		
/P2	fknepp	evinz	rschluet	_____	sbasford		

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	1/19/2015	1/14/2015	1/15/2015	_____	1/15/2015		
/P3	fknepp 1/28/2015	csicilia 1/23/2015	rschluet 1/23/2015	_____	lparisi 1/23/2015		State S&L
/P4	fknepp 1/30/2015	wjackson 1/29/2015	jmurphy 1/29/2015	_____	lparisi 1/29/2015		State S&L
/P5		kfollett 1/30/2015	rschluet 1/30/2015	_____	lparisi 1/30/2015		State S&L

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Handwritten notes:
1/30 PS/SF
2/5/15

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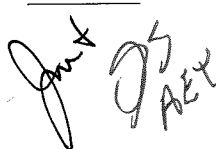
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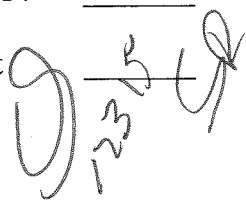
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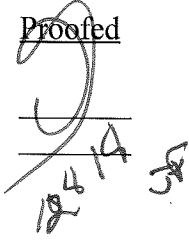
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/?	fknepp	1/1 eev 12/1/14	1/1 eev 12/3/14				

FE Sent For:

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Knepp, Fern

From: Hanaman, Cathlene
Sent: Thursday, November 13, 2014 10:30 AM
To: Kuczenski, Tracy; Knepp, Fern
Subject: FW: Statutory Language Drafting Request - BB0234
Attachments: DIN 7002 Choice Program Changes.docx

From: MeganE.Stritchko@wisconsin.gov [mailto:MeganE.Stritchko@wisconsin.gov]
Sent: Thursday, November 13, 2014 10:20 AM
To: Hanaman, Cathlene
Cc: Hynek, Sara - DOA; Stritchko, Megan E - DOA; Connor, Christopher B - DOA
Subject: Statutory Language Drafting Request - BB0234

Biennial Budget: 2015-17

Topic: Choice Program Changes

Tracking Code: BB0234

SBO Team: EWD

SBO Analyst: Stritchko, Megan - DOA
Phone: (608) 266-7329
E-mail: MeganE.Stritchko@wisconsin.gov

Agency Acronym: DPI

Agency Number: 255

Priority: High

Intent:

Make several changes to the parental choice programs under ss. 118.60 and 119.23. See attached for details.

Attachments: True

Please send completed drafts to SBOSatlanguage@webapps.wi.gov

DEPARTMENT OF PUBLIC INSTRUCTION

2015-17 BIENNIAL BUDGET

DRAFTING REQUEST TO THE LEGISLATIVE REFERENCE BUREAU

Draft for Possible 2015-17 Budget Bill Introduction (*Agency Decision Item No. 7002*)

Subject: Choice Programs

Brief Description of Intent:

Under current law, the State Superintendent must pay a school participating in the Milwaukee, Racine or Wisconsin Parental Choice Programs, the lesser of an amount equal to the private school's operating and debt service cost per pupil that is related to educational programming or a set statutory amount. Under current law, a private school participating in any of the Parental Choice Programs is required to submit to the Department an independent financial audit of the school's per pupil cost conducted by an independent certified public accountant. The Department requests both that the set statutory amount be paid (instead of a private school being paid the lesser of the set statutory amount and the private school's operating and debt service cost per pupil) and that the private school be required to submit a GAAP audit that includes a schedule showing educational costs and the fund balance held in a segregated fund for future educational purposes.

Under current law, criteria is outlined for whether a school district is deemed eligible to participate in the Racine Parental Choice Program. Under current law, the Department is required to certify a list of districts eligible to participate on November 15 of the second year of the fiscal biennium. The Department requests these requirements (s. 118.60 (1) (am) and (1m), Wis. Stats.) be eliminated.

Under current law a private school participating in the Milwaukee and Racine Parental Choice Programs must accept pupils on a random basis except that the private school may give preference in accepting applications to pupils who attended the private school previously; siblings of those pupils; and pupils who attended a different school under the Parental Choice Programs. The Department requests specifying the following preferences: (1) continuing choice students applying to the same school; (2) siblings of continuing choice students that received a seat; (3) continuing choice students applying at a different school; (4) siblings of continuing choice students applying at a different school that receive a seat; and (5) siblings of students accepted to the school. The Department requests that these preferences be used in administering the Wisconsin Parental Choice Program random selection. Schools in the Milwaukee Parental Choice Program and Racine Parental Program may grant these preferences.

a
b

? FPI
(1m)
(1)(am)
S. Hilland
Racine

see draft

4

Under current law, there is no requirement for private schools in the Milwaukee, Racine, or Wisconsin Parental Choice Programs to be non-profit organizations. The Department requests that private schools participating in any of the three Parental Choice Programs be non-profit organizations.

Under current law, a private school must notify the State Superintendent of its intent to participate in any of the Parental Choice Programs by February 1 of the previous school year. The Department requests that the date by which schools must annually register to participate in the program be changed from February 1 to December 1.

Under current law, a private school participating in any of the Parental Choice Programs must annually file with the Department a report stating its summer average daily membership equivalent and its summer choice average daily membership equivalent by October 15. The Department requests the due date for the summer school report be changed from October 15 to October 1, which is the same deadline for public schools. Additionally, some prior summer school provisions in ss. 119.23 and 118.60, Wis. Stats., are no longer applicable due to the prior budget changes to summer school funding. The Department requests these provisions be removed.

Under current law, a teacher must have a bachelor's degree from an accredited institution of higher education. An administrator must have at least a bachelor's degree. A copy of the bachelor's degree must be provided to the school. The Department requests the list of allowable teacher and administrator credentials be expanded to include a DPI issued educator license.

Currently under ss. 119.23 and 118.60, Wis. Stats., there are no audit requirements for the private school's enrollment report. The Department requests the requirements from PI 35.04 (9) (a), Wis. Adm. Code., be added in statute.

Under current law, the requirement to be in operation on May 1, 2013 sunsets after 2014-15 for the Wisconsin Parental Choice Program. The Department requests that new private schools have to be in existence as of May 1, 2013 or be fully accredited to participate in Parental Choice Programs in the future. If this request is accepted, the preaccreditation provisions in ss. 119.23 and 118.60, Wis. Stats and the recently enacted new school requirements (ss. 119.23 (2) (ag) and 118.60 (2) (ag), Wis. Stats.) could be deleted.

Under ss. 119.23 (1) (ab) and 118.6 (1) (ab), Wis. Stats., accrediting agencies are listed for the Parental Choice Programs. The Department requests modification of the statutory list of eligible accrediting agencies to remove the National Council of Private School Accreditation and only list the following specific organizations that are members of NCPA: Accrediting Association of Seventh Day Adventist Schools, Association of Waldorf Schools of North America, National Accreditation Board of Merkos L'Inyonei Chinuch and North American Christian School Accrediting Agency. ✓

7 Under current law, a private school participating in any of the Parental Choice Programs may submit student information to determine student income eligibility for the Parental Choice Programs to the Department of Revenue. The Department requests that parents be allowed to access the Department of Revenue directly in the online student application to determine income eligibility for the program.

I think ✓ Under current law, private schools are required to provide continuing eligibility reports and grade promotion reports; submit test scores from additional tests not required under state law, and participate in Pupil Assignment Council Meetings. The Department requests these requirements be removed. ✓ 118.60 (7)(8) (3m)(a) (3m)(b) per 7 ok

✓ Under current law, high schools are allowed to charge tuition to voucher students. The Department requests this provision be eliminated.

✓ Under current law, 6.6 percent of the aid reduction to Milwaukee Public Schools related to the Milwaukee Parental Choice Program is required to be paid directly to the City of Milwaukee and then the City is required to pay that same amount back to Milwaukee Public Schools. The Department requests this requirement (s. 121.137, Wis. Stats.) be eliminated. + 121.08 (4)(b) 2.

Related Stat. Citations:

Modify ss. 118.60 and 119.23, Wis. Stats., accordingly.

DPI 2015-17 BIENNIAL BUDGET REQUEST

DECISION ITEM 7002 – PARENTAL CHOICE PROGRAMS REESTIMATE

**224 – Parental choice program for eligible school districts
s. 20.255 (2) (fr)**

**235 – Milwaukee parental choice program
s. 20.255 (2) (fu)**

FISCAL SUMMARY		
	2013-15 Request	2013-15 Request
Requested Funding	\$229,490,900	\$249,755,700
Less Base	\$212,462,100	\$212,462,100
Requested Change	\$17,028,800	\$37,293,600

Request/Objective

The Department requests \$14,691,800 GPR in FY16 and \$30,130,800 GPR in FY17 to continue to fund the Milwaukee Parental Choice Program (MPCP) under s. 119.23, Wis. Stats.

The Department requests \$2,337,000 GPR in FY16 and \$7,162,800 GPR in FY17 to continue to fund the Racine Parental Choice Program (RPCP) and the Wisconsin Parental Choice program under s. 118.60, Wis. Stats.

In addition to a reestimate of the total costs of the MPCP for the 2015-17 biennium, this request includes a change in the state's share of funding for the program, from 71.2 percent of annual cost of the program in FY16, to 100 percent of the annual cost of the program in FY17.

Finally, the Department requests several changes to statutory language under the MPCP, RPCP and WPCP, addressed later in this paper.

Background/Analysis of Need

Milwaukee Parental Choice Program Reestimate and Funding Change

FISCAL SUMMARY		
	2013-14 Request	2014-15 Request
Requested Funding	\$205,175,100	\$220,614,100
Less Base	\$190,483,300	\$190,483,300
Requested Change	\$14,691,800	\$30,130,800

Under current law, the costs of the MPCP are borne by both the state and Milwaukee Public Schools (MPS). The MPS share is paid for via a reduction to the school district's general aid payment; that aid reduction then lapses back to the state's general fund, to offset the cost to state of the MPCP.

The share of costs borne by MPS and the state has changed over the years, since the inception of the MPCP in the 1990-91 school year. While MPS formerly paid 100 percent of the costs of the MPCP from FY91 through FY99, it also was allowed to count MPCP pupils in its membership for purposes of calculating general equalization aid and revenue limits during that time. The 1999-2001 biennial budget removed MPCP pupils from MPS' membership calculation for school aid and revenue limit purposes, effective in FY00.

In the 2001-03 biennial budget bill, the law was changed to require the state to pay 55 percent of the MPCP, with MPS picking up the remaining 45 percent through a general aid reduction. The 2009-11 biennial budget changed the split to 54.6 percent state funding/41.6 percent MPS share in FY10 and 61.6 percent state funding/38.4 percent MPS share in FY11. Table 1 below shows the state's history of funding the MPCP since its inception in FY91:

Table 1: MPCP History

Fiscal Year	MPCP Pupils (FTE)	MPS Aid Reduction (\$ in millions)	Other School Districts Aid Reduction (\$ in millions)	Total MPCP Cost/Payments (\$ in millions)
1990-91	300	\$0.7	\$0	\$0.7
1991-92	512	\$1.4	\$0	\$1.4
1992-93	594	\$1.6	\$0	\$1.6
1993-94	704	\$2.1	\$0	\$2.1
1994-95	771	\$2.5	\$0	\$2.5
1995-96	1,288	\$4.6	\$0	\$4.6
1996-97	1,616	\$7.1	\$0	\$7.1
1997-98	1,497	\$7.0	\$0	\$7.0
1998-99	5,761	\$28.7	\$0	\$28.7
1999-00	7,575	\$19.5	\$19.5	\$39.1
2000-01	9,238	\$24.5	\$24.5	\$49.0
2001-02	10,497	\$26.7	\$0	\$59.4
2002-03	11,304	\$29.5	\$0	\$65.6
2003-04	12,882	\$33.9	\$0	\$75.3
2004-05	14,071	\$39.3	\$0	\$82.6
2005-06	14,604	\$41.3	\$0	\$91.9
2006-07	17,088	\$49.5	\$0	\$110.1
2007-08	18,558	\$53.8	\$0	\$119.5
2008-09	19,428	\$57.2	\$0	\$127.1
2009-10	20,372	\$49.8	\$0	\$129.7
2010-11	20,256	\$49.6	\$0	\$129.2
2011-12	22,220	\$54.7	\$0	\$142.4
2012-13	23,812	\$59.4	\$0	\$152.8
2013-14	24,811	\$56.7	\$0	\$159.4
2014-15	26,000 (est.)	\$61.4	\$0	\$191.7

2013 Wisconsin Act 20 put into place a mechanism by which the state's share of costs will increase by 3.2 percent points each year (beginning in FY14) in effect phasing in full state funding for the MPCP over twelve years. When Act 20 was signed into law, the state's share of the MPCP was 61.6 percent (FY13). The state's share rose to 64.8 percent for FY14 and then 68.0 for FY15. Under current law, the state will pay 71.2 percent in FY16 and 74.4 percent in FY17.

As allowed by state law, MPS generally increases its property tax levy to replace these reduced state general school aids, resulting in higher tax levies for its residents. It is estimated MPS' share of paying

for this program will be \$61.1 million in FY15, \$59.1 million in FY16 and \$56.5 million in FY17, under current law.

While this change under Act 20 will begin to reduce the MPCP property tax burden Milwaukee's residents, the Department proposes eliminating the MPS share of the MPCP costs, beginning in FY17, providing tax relief on a much more accelerated timeline. This change would eliminate altogether the MPCP property tax burden on the district residents, and more important, treat the MPCP consistently with the RPCP and WPCP (for which the state picks up 100 percent of the programs' costs), thereby bringing equity to the residents of MPS.

This proposal would increase MPS' general equalization aid indirectly by resulting in no aid reduction as of FY17. It would not provide MPS with any more money to spend, since the additional aid it received would be inside its revenue cap. It would reduce the MPS property tax levy (and state school tax levies) by the same amount of the MPS general equalization aid increase. Lastly, it would not directly take away general equalization aids from any other school district.

In a separate decision, Decision Item 6000, \$16.8 million GPR is being removed from the high poverty aid appropriation in FY15 to be placed in the general equalization aid formula. Because the changes in the general aid formula will now account for poverty, there will not be a separate high poverty aid program. MPS is estimated to receive approximately \$4.5 million annually from the high poverty aid program, which the district is statutorily required to utilize to reduce the property tax levy due to the MPCP.

Table 2 below shows the total state funding commitment if current law is amended in FY17 to require the state to pay 100 percent of MPCP costs and the elimination of the high poverty aid program.

Table 2

Fiscal Year	MPCP Pupils (FTE)	FTE Payment*	Total MPCP Payment	State Share (71.2% in FY16, 100% in FY17)	MPS Share (38.4% in FY14, 30% in FY15)	MPS High Poverty Aid (reduces levy)	Total Net State Aid for MPCP**
2015-16	27,000 (est.)	\$7,466/\$8,112	\$205,175,100	\$146,084,600	\$59,090,500	\$4,500,000	\$150,584,600
2016-17	28,000 (est.)	\$7,746/\$8,392	\$220,614,100	\$220,614,100	\$0	\$0	\$220,614,100

*Estimated per-pupil payment, under current law, for K-8 and 9-12 pupils, respectively.

**Includes estimated \$4.5 million in high poverty aid.

Table 3 below shows how the state's financial commitment as well as MPS' financial commitment differs between current law and this budget request. Because no changes are made until FY17, no differences are noted until that year. It should be noted, however, that despite the high poverty aid program going away in FY15, if the state picks up 100 percent of the MPCP in FY17, it is expected that Milwaukee taxpayers would see a \$52.0 million property tax decrease.

Table 3

Fiscal Year	Current Law		Budget Request		Impact of Budget Request	
	State Share of MPCP*	MPS Share of MPCP	State Share of MPCP	MPS Share of MPCP	Net Additional State School Aid to MPS	Net Lower Property Taxes in Milwaukee
2015-16	\$150,584,600	\$64,090,500	\$151,084,600	\$64,090,500	-	-
2016-17	\$168,636,900	\$51,977,200	\$220,614,100	\$0	\$51,977,200	-\$51,977,200

*Includes estimated \$4.5 million in high poverty aid.

Per-Pupil Payment

Act 20 also included a change to how the MPCP per-pupil payment is calculated. Prior to passage of Act 20, the MPCP per-pupil payment was increased by the same percentage increase in state general school aid funding. Act 20 modified the MPCP per-pupil adjustment to also include an increment equal to the dollar change in appropriations for categorical aids over prior year, divided by the prior year's revenue limit membership.

Thus, for FY16, the MPCP per-pupil payment will be equal to the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts (\$200), plus the change categorical aids (in FY16 proposed appropriations compared to FY15 appropriations), divided by FY15 revenue limit membership. This categorical aid related component adds \$56, to bring the total MPCP per-pupil adjustment to \$256 for FY16.

For FY17, the MPCP per-pupil payment is estimated to be \$280, based on the State Superintendent's proposed per-pupil revenue limit adjustment for public school districts (\$204), plus the categorical aid component of \$76. The specific components of the estimated per-pupil payments for FY16 and FY17 are outlined in Table 4.

Table 4: Adjustment to the Per-Pupil Payment

	FY16	FY17
\$ change in categorical aids from prior year	\$47,740,900	\$64,480,700
Prior year total revenue limit membership (est.)*	845,624	844,400
Categorical aid change per member (rounded)	\$56	\$76
Proposed per-pupil revenue limit adjustment	\$200	\$204
Adjustment to per-pupil payment	\$256	\$280

*Revenue limits membership: the prior year's three-year average FTE (including 40% summer school FTE).

For the FY16 per-pupil adjustment, this is the FY15 revenue limit membership, data as of November 6, 2014.

For the FY17 per-pupil adjustment, this is the Department's projected FY16 revenue limit membership.

Parental Choice Programs for Eligible School Districts Reestimate (RPCP and WPCP)

FISCAL SUMMARY		
	2013-14 Request	2014-15 Request
Requested Funding	\$24,315,800	\$29,141,600
Less Base	\$21,978,800	\$21,978,800
Requested Change	\$2,337,000	\$7,162,800

2011 Act 32 (the 2011-13 biennial budget) created the Parental Choice Programs for Eligible School Districts. Under the program the Department must bi-annually certify school districts eligible for a parental choice program if they meet four criteria.

- In the most recent October 15 equalization run, the district's equalized value per member was no more than 80 percent of the statewide average.
- In the most recent October 15 equalization run, the district's shared cost per member was no more than 91 percent of the statewide average.

- The district was eligible for high poverty aid in the most recent determination of eligibility for that program (at least 50 percent of the district's enrollment is eligible for the free or reduced-price lunch program).
- The district is located, in whole or in part, in a city of the second class.

The bill provided that no more than 250 full-time equivalent pupils may participate in the choice program for other eligible districts in the first school year of operation and that no more than 500 full-time equivalent pupils may participate in the choice program for other eligible districts in the second school year of operation. The bill provided that for the third school year and subsequent school years there would be no limit to participation in the choice program for other eligible districts.

During the first determination of eligibility conducted by the Department, the Racine Unified School District (RUSD) met all of the criteria and was declared eligible for the program. No other districts met all four criteria to be declared eligible. Pupils residing in RUSD were eligible to participate in the choice program for other eligible districts beginning in the 2011-12 school year.

2011 Wisconsin Act 215 changed the program so that no additional school districts could be qualified as an eligible school district after April 20, 2012. This act effectively "closed" the program to additional districts.

2013 Act 20 (2013-15 biennial budget) amended the Parental Choice Programs for Eligible School Districts to allow private schools outside of Milwaukee and Racine to participate in a parental choice program, thus the creation of the Wisconsin Parental Choice Program (WPCP). Participation in the program was capped at 500 pupils in FY14 and 1,000 pupils in FY15. Unlike the MPCP and the RPCP, in which a pupil's family income may be up to 300% of the Federal Poverty Limit (FPL), under the WPCP, a pupil's family income may not exceed 185% of the FPL. The per-pupil payment under the WPCP is the same as for the MPCP and the RPCP. Further, Act 20 provided for full state funding of both the RPCP and the WPCP, beginning in FY14.

Previously, the RPCP per-pupil payment had been identical to the MPCP per-pupil payment. However, Act 20 changed the per-pupil payments, for both the RPCP and the WPCP, to be set in accordance with the MPCP – an increase equal to the current year's per-pupil revenue limit adjustment plus the per-pupil change in categorical aids (from prior year). Thus the increase to the per-pupil payments under the RPCP and the WPCP will be \$256 in FY16 and \$280 in FY17.

Funding for the first four years of the RPCP and the first two years of the WPCP, as well as the Department's projections for the 2015-17 biennium, are detailed in the Tables 5 and 6, below.

Table 5: RPCP History

Fiscal Year	RPCP Pupils (FTE)	Per-Pupil Payment	Eligible School District Aid Reduction (\$ in millions)	Total RPCP Cost/Payments(\$ in millions)
2011-12	250	\$6,642	\$0.6	\$1.6
2012-13	500	\$6,642	\$1.2	\$3.2
2013-14	1169*	\$6,442	\$0	\$7.5
2014-15	1,700 (est.)	\$7,210/\$7,856	\$0	\$12.5
2015-16	2,200 (est.)	\$7,466/\$8,112	\$0	\$16.7
2016-17	2,700 (est.)	\$7,746/\$8,392	\$0	\$21.2

*Unaudited data.

Table 5: WPCP History

Fiscal Year	RPCP Pupils (FTE)	Per-Pupil Payment	Eligible School District Aid Reduction (\$ in millions)	Total RPCP Cost/Payments(\$ in millions)
2013-14	500	\$6442	\$0	\$3.2
2014-15	1,000 (est.)	\$7,210/\$7,856	\$0	\$7.4
2015-16	1,000 (est.)	\$7,466/\$8,112	\$0	\$7.6
2016-17	1,000 (est.)	\$7,746/\$8,392	\$0	\$7.9

Program Language Changes

The Department proposes additional changes the language in ss. 118.60, and 119.23, Wis. Stats., in order to address several program implementation issues, and to make technical corrections. The requested changes to existing state law, and rationale for each change, are enumerated below.

1. Modify funding for the program as follows:

- a. *Delete the "lesser of" payment calculation and pay a set amount for each eligible student.*

Under current law, the state pays the lesser of the payment amount in statute or the school's per-pupil cost. Most schools' per-pupil costs are above the statutory payment amount. In addition, schools that are under the statutory payment amount are now allowed to keep a 15% reserve which will also result in fewer schools with a per-pupil cost below the statutory amount.

- b. *Require a modified GAAP audit.*

In order to help ensure schools' financial statements conform to GAAP and state funding is being used for educational purposes, schools should be required to submit a GAAP audit that includes a schedule showing educational costs and the fund balance held in a segregated fund for future educational purposes. Some argue these provisions are needed to ensure a set payment amount is constitutional.

*118.60(1)(a)
some examples
are fine*

2. Specify student preferences for random selection for the WPCP. Use these preferences for all three voucher programs.

Under current law, the only preference is for siblings. Specifying student preferences would ensure continuing choice students have preference. Preferences would be as follows: (1) continuing choice students applying to the same school; (2) siblings of continuing choice students that received a seat; (3) continuing choice students applying at a different school; (4) siblings of continuing choice students applying at a different school that received a seat; and (5) siblings of students accepted to the school. DPI would be required to grant these preferences in administrating the WPCP random selection. MPCP and RPCP schools may grant these preferences.

3. Require private schools to be non-profit organizations. This provides for greater transparency of schools participating in the program.

4. Change the date by which schools must annually register to participate in the program from February 1 to December 1. This change helps ensure schools are registered before student applications are accepted on February 1.

5. Modify summer school provisions as follows:

- a. *Change the due date for the summer school report from October 15 to October 1.*

This is the same deadline for public schools.

- b. *Remove summer school provisions that are no longer applicable due to the prior budget changes to summer school funding.*

These are technical modifications were not included in the last budget.

- 6. Expand the allowable teacher and administrator credentials to include a DPI issued teacher license. Under current law, a teacher must have a bachelor's degree from an accredited institution of higher education. An administrator must have at least a bachelor's degree. A copy of the bachelor's degree must be provided to the school. Allowing Wisconsin teacher licenses to be an acceptable credential is reasonable given most licenses require a bachelor's degree. Copies of licenses may be easier to obtain and a DPI license demonstrates the individual has met the requirements to be a teacher in Wisconsin.

- 7. Remove the following current law requirements:

- a. *Continuing eligibility report.*

This is data reported by the schools and not verified. The Department has not terminated a school for failing to meet this requirement in years. The new accountability provisions will provide better information.

- b. *Grade promotion report.*

This information has not been requested by any outside party and is not used by the Department. The new open source data collection system will provide better information.

- c. *Requirement to submit test scores from additional tests (not required under state law) administered by the school.*

These test scores are stored here but not used by DPI.

- d. *Pupil Assignment Council Meetings.*

These required meetings are no longer needed as the choice team can provide better services by having the flexibility to hold meetings as needed.

- 8. Add the enrollment audit requirements currently in administrative rule to statute. While not required, including the enrollment audit requirements in statute help ensure the requirements are legally enforceable.

- 9. Require new private schools to have been in existence as of May 1, 2013 or be fully accredited to participate in the choice programs in the future. Under current law for the WPCP the requirement to be in operation on May 1, 2013 sunsets after 2014-15. This change ensures that before a school participates in any of the choice programs, the school has either been in operation for at least two years or has an educational program that has been reviewed by an accrediting organization.

- 10. Modify the statutory list of eligible accrediting agencies to remove the National Council of Private School Accreditation and only list the following specific organizations that are members of NCPA: Accrediting Association of Seventh Day Adventist Schools, Association of Waldorf Schools of North America, National Accreditation Board of Merkos L'Inyonei Chinuch and North American Christian School Accrediting Agency.

Since the 2011-12 school year, a total of nine schools have been terminated from the Private School Choice Programs. Of the nine schools that were terminated during the period, seven were accredited, preaccredited or an applicant to an agency recognized by the National Council for Private School Accreditation. Over \$20 million was paid to these seven schools that were terminated. DPI records prove that many of the seven schools had other quality-related issues that should have been monitored or addressed by the school's accrediting organization. The recommended list covers all organizations that participating schools are aligned with. No current schools would be affected by this change.

118.60(2)(a), b.

11. Allow parents to access DOR directly in the online student application to determine income eligibility for the program. This would assist parents during the online application process by letting the parent know immediately if DOR has their income records. If not, the parent must use the DPI income determination method. Currently, only **schools**, not parents, can submit data to DOR.

12. Modify provisions relating to new schools' participation in the program as follows:

a. *Delete the preaccreditation provisions.*

These provisions would no longer be needed due to the requirement to be fully accreditation or have been in operation since May 1, 2013 in order to participate in the choice programs in the future. The preaccreditation requirements never applied to the WPCP schools because the schools were required to be operating as a private school on May 1, 2013.

b. *Delete the recently enacted new school requirements. [119.23(2)(ag) and 118.60(2)(ag)].*

These provisions would no longer be needed due to the requirement to be fully accreditation or have been in operation since May 1, 2013 in order to participate in the choice programs in the future.

OK?

13. Eliminate the provisions that allow high schools to charge tuition to voucher students. Charging voucher student's tuition is contrary to the original intent of this program -- offering low income students educational choices.

14. Eliminate the provision that requires the Department to certify the districts eligible to participate in the parental choice program for eligible school districts and other school districts.

a. *Repeal s. 118.60 (1m)*

Current law requires the Department to certify a list of districts eligible to participate under s. 118.60 (1)(am), on November 15 of the second year of the fiscal biennium. Arguably, this is section is no longer necessary, given the provisions under s. 118.60 that provide for a statewide parental choice program, and it creates an unnecessary reporting burden on the Department.

b. *Repeal s. 118.60(1)(b)*

Current law outlines the criteria under which a school district is deemed "eligible", for the purposes of determining whether a private school located in that district may participate in the parental choice program (for eligible school districts). However, under s. 118.60 (2), in effect, a private school located in any district in the state (outside of the RUSD and MPS) may participate, provided other conditions specified in state law are met. Thus, these "eligibility" criteria are longer applicable. There may be other sections under s. 118.60 that would have to be modified as part of this change (for example, eliminating the definition of "eligible district" under s. 118.60(2)(a).

I altered this to maintain distinction between PCP & WPCP OK?

15. Repeal s. 121.137, Wis. Stats. This section in state law requires that 6.6 percent of the aid reduction to the MPS district related to the MPCP be paid directly to the City of Milwaukee and then requires the city to pay that same amount back to MPS. This payment back and forth between the City of Milwaukee and MPS serves no useful purpose. Given that the Department proposes to eliminate the MPS share of the MPCP program, effective in FY17, this would be an opportune time to eliminate this unnecessary transfer of aid between the city and the district. Even under current

I eliminate the reduction & the credit

law, the MPS share will be reduced by 3.2 percent points each year, to eventually phase out the MPS share of the MPCP costs.

Statutory Language

The Department is proposing statutory language related to the Milwaukee Parental Choice Program under s.119.23, Wis. Stats.; and to the Parental Choice Programs for Eligible School Districts under s. 118.60, Wis. Stats.