



State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-0633/P1
FFK:eev:rs

In 1-13-15

1/12
read

DOA:.....Stritchko, BB0234 – Various changes to parental choice programs
FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

don't gen

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

Analysis by the Legislative Reference Bureau
EDUCATION

PRIMARY AND SECONDARY EDUCATION

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

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

2 SECTION 1. 20.255 (2) (ac) of the statutes is amended to read:

3 20.255 (2) (ac) *General equalization aids.* The amounts in the schedule for the
4 payment of educational aids under ss. 121.08, 121.09, 121.095, 121.105, 121.137 and
5 subch. VI of ch. 121.

6 SECTION 2. 118.60 (1) (ab) of the statutes is amended to read:

7 118.60 (1) (ab) "Accrediting entity" means Wisconsin North Central
8 Association, Wisconsin Religious and Independent Schools Accreditation,

1 Independent Schools Association of the Central States, Wisconsin Evangelical
2 Lutheran Synod School Accreditation, National Lutheran School Accreditation,
3 Wisconsin Association of Christian Schools, Accrediting Association of Seventh-Day
4 Adventist Schools, Association of Waldorf Schools of North America, National
5 Accreditation Board of Merkos L'Inyonei Chinuch, North American Christian School
6 Accrediting Agency, and the diocese or archdiocese within which a private school is
7 located, and any other organization recognized by the National Council for Private
8 School Accreditation.

9 **SECTION 3.** 118.60 (1) (am) (intro.) of the statutes is amended to read:

10 118.60 (1) (am) (intro.) "Eligible school district" means a the school district
11 that, subject to sub. (1m), satisfies all of the following identified by the department
12 as satisfying all of the following under 2011 Wisconsin Act 32, section 9137 (3u):

13 **SECTION 4.** 118.60 (1) (b) of the statutes is repealed.

14 **SECTION 5.** 118.60 (1) (bn) of the statutes is repealed.

15 **SECTION 6.** 118.60 (1) (c) of the statutes is repealed.

16 **SECTION 7.** 118.60 (1) (cm) of the statutes is repealed.

17 **SECTION 8.** 118.60 (1) (e) of the statutes is repealed.

18 **SECTION 9.** 118.60 (1) (f) of the statutes is repealed.

19 **SECTION 10.** 118.60 (1m) of the statutes is repealed.

20 **SECTION 11.** 118.60 (2) (a) (intro.) of the statutes is amended to read:

21 118.60 (2) (a) (intro.) Subject to pars. (ag) and (ar), any Any pupil in grades
22 kindergarten to 12 who resides within an the eligible school district may attend any
23 private school under this section and, subject to pars. (ag), (ar), (be), (bm), and (bs),
24 any pupil in grades kindergarten to 12 who resides in a school district, other than

1 an the eligible school district or a 1st class city school district, may attend any private
2 school under this section if all of the following apply:

3 **SECTION 12.** 118.60 (2) (a) 1. a. of the statutes is amended to read:

4 118.60 (2) (a) 1. a. Except as provided in par. (bm), the pupil is a member of a
5 family that has a total family income that does not exceed an amount equal to 3.0
6 times the poverty level determined in accordance with criteria established by the
7 director of the federal office of management and budget. In this subdivision and sub-
8 (~~3m~~), family income includes income of the pupil's parents or legal guardians. The
9 family income of the pupil shall be verified as provided in subd. 1. b. A pupil
10 attending a private school under this section whose family income increases may
11 continue to attend a private school under this section.

12 **SECTION 13.** 118.60 (2) (a) 1. b. of the statutes is amended to read:

13 118.60 (2) (a) 1. b. The private school or the pupil's parent or guardian submits
14 to the department of public instruction the names, addresses, social security
15 numbers, and other state and federal tax identification numbers, if any, of the pupil's
16 parents or legal guardians that reside in the same household as the pupil, whether
17 and to whom the parents or legal guardians are married, the names of all of the other
18 members of the pupil's family residing in the same household as the pupil, and the
19 school year for which family income is being verified under this subd. 1. b. The
20 department of revenue shall review the information submitted under this subd. 1.
21 b. and shall verify the eligibility or ineligibility of the pupil to participate in the
22 program under this section on the basis of family income. In this subdivision, "family
23 income" means federal adjusted gross income of the parents or legal guardians
24 residing in the same household as the pupil for the tax year preceding the school year
25 for which family income is being verified under this subd. 1. b. or, if not available, for

1 the tax year preceding the tax year preceding the school year for which family income
 2 is being verified under this subd. 1. b. Family income for a family in which the pupil's
 3 parents are married or in which the pupil's legal guardians are married shall be
 4 reduced by \$7,000 before the verification is made under this subd. 1. b. The
 5 department of revenue may take no other action on the basis of the information
 6 submitted under this subd. 1. b. If the department of revenue is unable to verify
 7 family income or to verify whether the pupil is eligible or ineligible to participate in
 8 the program under this section on the basis of family income, the department of
 9 revenue shall notify the department of public instruction of this fact and the
 10 department of public instruction shall utilize an alternative process, to be
 11 established by the department of public instruction, to determine whether the pupil
 12 is eligible to participate in the program under this section on the basis of family
 13 income. The department of public instruction may not request any additional
 14 verification of income from the family of a pupil once the department of revenue has
 15 verified that the pupil is eligible to participate in the program under this section on
 16 the basis of family income. The department of public instruction shall establish a
 17 procedure for determining family income eligibility for those pupils for whom no
 18 social security number or state or federal tax identification number has been
 19 provided.

****NOTE: Under current law, private schools submit information to DPI, which is then reviewed by DOR. Does allowing parents to directly submit their information to DPI give parents the access to DOR during the online application process?

20 SECTION 14. 118.60 (2) (a) 3. a. of the statutes is amended to read:

21 118.60 (2) (a) 3. a. Except as provided in subd. 3. b. ~~and c. and sub. (2) (ag) 1,~~

22 the private school notified the state superintendent of its intent to participate in the
 23 program under this section or in the program under s. 119.23, and paid the

no strike
par.
 should read " subd. 3. b. and c. and
 -sub. 2 par. (ag) 1.,"

1 nonrefundable fee, set by the department as required under s. 119.23 (2) (a) 3., by
2 February ~~(December 1)~~ ^{January 10} of the previous school year. The notice shall specify the
3 number of pupils participating in the program under this section and in the program
4 under s. 119.23 for which the school has space.

5 **SECTION 15.** 118.60 (2) (a) 3. b. of the statutes is amended to read:

6 118.60 (2) (a) 3. b. For a private school that intends to participate in the
7 program under this section in an the eligible school district ~~identified under 2011~~
8 ~~Wisconsin Act 32, section 9137 (3u),~~ the private school notified the state
9 superintendent of its intent to participate, and paid the nonrefundable fee set by the
10 department under subd. 3. a. by August 1, 2011. The notice shall specify the number
11 of pupils participating in the program under this section for which the school has
12 space.

****NOTE: This provision is affected because the definition of "eligible district" now includes the cross-reference to the 2011 budget. However, in reviewing this provision it came to my attention that the provision requires a private school applying to the Racine parental choice program to notify DPI and pay a fee by August 1, 2011. The inclusion of the August 1, 2011 date suggests that private schools cannot satisfy this provision after that date. In other words, no new private schools can qualify to participate in the Racine program. Is this consistent with current practice?

13 **SECTION 16.** 118.60 (2) (a) 4m. of the statutes is created to read:

14 118.60 (2) (a) 4m. The private school is a nonprofit organization.

15 **SECTION 17.** 118.60 (2) (a) 6. a. of the statutes is amended to read:

16 118.60 (2) (a) 6. a. Except as provided in subd. 6. c. and d., all of the private
17 school's teachers have a teaching license issued by the department or a bachelor's
18 degree or a degree or educational credential higher than a bachelor's degree,
19 including a masters or doctorate, from an accredited institution of higher education.

20 **SECTION 18.** 118.60 (2) (a) 6. b. of the statutes is amended to read:

1 118.60 (2) (a) 6. b. All of the private school's administrators have at least a
2 bachelor's degree from an accredited institution of higher education or a teaching
3 license or administrator's license issued by the department.

4 **SECTION 19.** 118.60 (2) (a) 6. c. of the statutes is amended to read:

5 118.60 (2) (a) 6. c. Any teacher employed by the private school in the eligible
6 school district on July 1 ~~of the first school year that begins after a school district is~~
7 ~~identified as an eligible school district under sub. (1m) or 2011 Wisconsin Act 32,~~
8 ~~section 9137 (3u), 2012,~~ who has been teaching for at least the 5 consecutive years
9 immediately preceding that July 1, and who does not satisfy the requirements under
10 subd. 6. a. on that July 1, applies to the department on a form prepared by the
11 department for a temporary, nonrenewable waiver from the requirements under
12 subd. 6. a. The department shall promulgate rules to implement this subd. 6. c.,
13 including the form of the application and the process by which the waiver application
14 will be reviewed. The application form shall require the applicant to submit a plan
15 for satisfying the requirements under subd. 6. a., including the name of the
16 accredited institution of higher education at which the teacher is pursuing or will
17 pursue the bachelor's degree and the anticipated date on which the teacher expects
18 to complete the bachelor's degree. No waiver granted under this subd. 6. c. is valid
19 after July 31 ~~of the 5th school year that begins after a school district is identified as~~
20 ~~an eligible school district under sub. (1m) or 2011 Wisconsin Act 32, section 9137 (3u),~~
21 2016.

****NOTE: Please confirm that I did not inadvertently change the meaning of this provision by including specific dates.

22 **SECTION 20.** 118.60 (2) (a) 7. a. of the statutes is renumbered 118.60 (2) (a) 7.
23 and amended to read:

1 118.60 (2) (a) 7. For a private school that was a first-time participant in the
2 program under this section before April 10, 2014, and that is not accredited by an
3 accrediting entity and was not operating as a private school on May 1, 2013, the
4 private school obtains accreditation from an accrediting entity by December 31 of the
5 3rd school year following the first school year in which the private school began
6 participating in the program under this section. ~~If the private school is accredited~~
7 ~~under this subd. 7. a., the private school is not required to obtain preaccreditation~~
8 ~~under subd. 7. b. as a prerequisite to providing instruction under this section in~~
9 ~~additional grades or in an additional or new school.~~

10 **SECTION 21.** 118.60 (2) (a) 7. b. of the statutes is repealed.

11 **SECTION 22.** 118.60 (2) (a) 7. c. of the statutes is repealed.

12 **SECTION 23.** 118.60 (2) (ag) of the statutes is repealed.

13 **SECTION 24.** 118.60 (2) (ar) of the statutes is repealed.

14 **SECTION 25.** 118.60 (2) (bm) of the statutes is amended to read:

15 118.60 (2) (bm) No pupil who resides in a school district, other than ~~an~~ the
16 eligible school district or a 1st class city school district, may attend a participating
17 private school under this section unless the pupil is a member of a family that has
18 a total family income that does not exceed an amount equal to 1.85 times the poverty
19 level, determined in accordance with criteria established by the director of the
20 federal office of management and budget. In this paragraph ~~and sub. (3m)~~, family
21 income includes income of the pupil's parents or legal guardians. The family income
22 of the pupil shall be verified as provided in par. (a) 1. b. A pupil attending a private
23 school under this section whose family income increases may continue to attend a
24 private school under this section.

25 **SECTION 26.** 118.60 (2) (bs) of the statutes is amended to read:

1 118.60 (2) (bs) ~~In Beginning in the 2013–14 and 2014–15~~ 2015–16 school years
2 year, a private school may accept pupils who reside in a school district, other than
3 an eligible school district or a 1st class city school district, under this section only if
4 the private school is accredited by an accrediting entity to offer instruction in the
5 grades in which pupils may attend the private school, or the private school was
6 operating as a private school on May 1, 2013.

****NOTE: Please confirm that this is consistent with DPI's intent. Please let me know if you would like to include a grandfather provision for private schools that were participating in the Racine parental choice program before April 10, 2014, that were eligible to participate under sub. (2) (a) 7. but are not yet accredited by an accrediting entity and were not operating as a private school on May 1, 2013. Also, please consider whether a grandfather provision might be necessary for private schools that began participating in the Racine parental choice program on or after April 10, 2014. These issues also apply to private schools participating in the Milwaukee parental choice program.

7 **SECTION 27.** 118.60 (3) (a) 1. of the statutes is repealed and recreated to read:

8 118.60 (3) (a) 1. The private school may give preference to the following in
9 accepting applications, in the order of preference listed:

10 a. Pupils who attended the private school under this section during the
11 previous school year.

12 b. Siblings of pupils described in subd. 1. a.

13 c. Pupils who attended a different private school under this section or s. 119.23
14 during the previous school year.

15 d. Siblings of pupils described under subd. 1. c.

16 e. Siblings of those pupils who have been randomly accepted to attend the
17 private school under this section and who did not attend a private school under this
18 section or s. 119.23 during the previous school year.

19 **SECTION 28.** 118.60 (3) (ar) 2. of the statutes is amended to read:

1 118.60 (3) (ar) 2. By May 1, 2014, and by May 1 of any school year thereafter,
2 each private school that has received applications under subd. 1. shall report to the
3 department the name of each pupil who has applied to attend the private school
4 under this section, the total number of pupils that have applied to attend the private
5 school under this section, ~~the names of those applicants that have siblings who have~~
6 ~~also applied to attend the private school under this section, and the number of such~~
7 ~~sibling applicants~~ any information the department determines is necessary to apply
8 the priorities listed in subd. 6m.

 ****NOTE: This is my attempt to ensure that DPI has the information it needs to
apply the priorities in subd. 6m. If you prefer to accomplish this in a different manner,
please let me know.

9 **SECTION 29.** 118.60 (3) (ar) 3. b. of the statutes is amended to read:

10 118.60 (3) (ar) 3. b. Subject to subd. 7., if the total number of applicants exceeds
11 the pupil participation limit established under sub. (2) (be) 2., the department shall
12 allocate to those private schools that participated in the program in the preceding
13 school year the same number of slots held by pupils participating in the program
14 under this section in that school year. The department shall allocate the remaining
15 slots to those private schools that received the most applications in the manner set
16 forth under par. (ag) 3. b. ~~If a pupil chosen by random drawing has a sibling that~~
17 ~~applied to the private school, the next available slot shall be filled by the sibling and~~
18 shall fill the pupil slots in each private school in accordance with subd. 6m.

19 **SECTION 30.** 118.60 (3) (ar) 4. of the statutes is amended to read:

20 118.60 (3) (ar) 4. The department shall establish and maintain a waiting list
21 for those applicants who were not selected ~~in a random drawing conducted under~~
22 ~~subd. 3. b., and shall give preference to siblings~~ to attend a private school under subd.
23 3. b.

1 **SECTION 31.** 118.60 (3) (ar) 6. of the statutes is amended to read:

2 118.60 (3) (ar) 6. A private school that has accepted a pupil who resides in a
3 school district, other than an the eligible school district or a 1st class city school
4 district, under this paragraph shall notify the department whenever the private
5 school determines that a pupil will not attend the private school under this
6 paragraph. The department shall fill any such available slot with a pupil selected
7 ~~at random~~ from a waiting list established under subd. 4. in accordance with subd.
8 6m., if such a waiting list exists, ~~but shall give preference to a sibling of a pupil who~~
9 ~~resides in a school district other than an eligible school district and who is attending~~
10 ~~the private school under this section.~~

****NOTE: Please confirm that this is consistent with ^{your} DPI's intent.

11 **SECTION 32.** 118.60 (3) (ar) 6m. of the statutes is created to read:

12 118.60 (3) (ar) 6m. Beginning in the 2016-17 school year, the department shall
13 allocate available pupil slots under this paragraph as follows, in the order of
14 preference listed:

15 a. To pupils who attended the private school under this section during the
16 previous school year.

17 b. To siblings of pupils described in subd. 6m. a.

18 c. To pupils who attended a different private school under this section or s.
19 119.23 during the previous school year.

20 d. To siblings of pupils described under subd. 6m. c.

21 e. To pupils selected by random drawing. If a pupil chosen by random drawing
22 has a sibling that applied to the private school, the next available slot shall be filled
23 by the sibling.

****NOTE: Please confirm that this is consistent with ^{your} DPI's intent. The preference
for a sibling of a pupil randomly selected to attend the private school exists under current

law. Will the department have the necessary information about the applicants to administer this preference scheme?

SECTION 33. 118.60 (3m) (a) (intro.) of the statutes is renumbered 118.60 (3m)

(a) and amended to read:

118.60 (3m) (a) A private school participating in the program under this section may not charge or receive any additional tuition payment for a pupil participating in the program under this section other than the payment the school receives under sub. (4) and, if applicable, sub. (4m), ~~if either of the following applies:~~

SECTION 34. 118.60 (3m) (a) 1. of the statutes is repealed.

SECTION 35. 118.60 (3m) (a) 2. of the statutes is repealed.

****NOTE: This draft does not repeal the authority for a private school to charge certain fees. Okay?

SECTION 36. 118.60 (3m) (b) of the statutes is repealed.

SECTION 37. 118.60 (3m) (c) of the statutes is repealed.

SECTION 38. 118.60 (4) (a) of the statutes is amended to read:

118.60 (4) (a) Annually, on or before October 15 1, a private school participating in the program under this section shall file with the department a report stating its summer average daily ~~membership equivalent and its summer choice average daily membership equivalent~~ attendance for each day of summer school for the purpose of sub. (4m).

SECTION 39. 118.60 (4) (am) of the statutes is created to read:

118.60 (4) (am) 1. Annually by October 1, a private school participating in the program under this section shall submit to the department a report of the total number of pupils enrolled in the private school and the number of pupils enrolled in the private school who are participating in the program under this section on the 3rd Friday of September of the current school year.

1 2. Annually by February 1, a private school participating in the program under
2 this section shall submit to the department a report of the total number of pupils
3 enrolled in the private school and the number of pupils enrolled in the private school
4 who are participating in the program under this section on the 2nd Friday of January
5 of the current school year.

****NOTE: This requirement is based on PI 35.04 (6), which is necessary for the
requirements based on PI 35.04 (9) (a). Okay?

6 **SECTION 40.** 118.60 (4) (bg) 3. (intro.) and 118.60 (4) (bg) 3. b. of the statutes are
7 consolidated, renumbered 118.60 (4) (bg) 3. and amended to read:

8 118.60 (4) (bg) 3. In the 2015–16 school year and in each school year thereafter,
9 upon receipt from the pupil's parent or guardian of proof of the pupil's enrollment in
10 the private school during a school term, except as provided in subd. 5., the state
11 superintendent shall pay to the private school in which the pupil is enrolled on behalf
12 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), the
13 ~~lesser of the following: Except as provided in subd. 5.,~~ an amount equal to the sum
14 of the maximum amount per pupil the state superintendent paid a private school
15 under this section in the previous school year for the grade in which the pupil is
16 enrolled; the amount of the per pupil revenue adjustment under s. 121.91 (2m) for
17 the current school year, if positive; and the change in the amount of statewide
18 categorical aid per pupil between the previous school year and the current school
19 year, as determined under s. 118.40 (2r) (e) 2p., if positive.

20 **SECTION 41.** 118.60 (4) (bg) 3. a. of the statutes is repealed.

21 **SECTION 42.** 118.60 (4) (bg) 5. (intro.) of the statutes is amended to read:

22 118.60 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private
23 school that enrolls pupils under the program in any grade between kindergarten to

1 8 and also in any grade between 9 to 12, the state superintendent shall substitute
2 for the amount described in subd. 3. ~~b.~~ the amount determined under subd. 4. a. to
3 d., with the following modifications:

4 SECTION 43. 118.60 (4) (d) of the statutes is repealed.

5 SECTION 44. 118.60 (6m) (a) 3. of the statutes is amended to read:

6 118.60 (6m) (a) 3. ~~A notice stating whether the private school is an organization~~
7 ~~operated for profit or not for profit. If the private school is a nonprofit organization,~~
8 ~~the private school shall also provide the applicant with a~~ A copy of the certificate
9 issued under section 501 (c) (3) of the Internal Revenue Code verifying that the
10 private school is a nonprofit organization that is exempt from federal income tax.

11 SECTION 45. 118.60 (6m) (b) 3. of the statutes is repealed.

****NOTE: I believe this repeal addresses DPI's ^{the} reference to the requirement of a
private school participating in a PCP to provide continuing eligibility reports and grade
promotion reports and to submit certain test scores. Please confirm that this accurately
reflects DPI's intent.
By you

12 SECTION 46. 118.60 (7) (ad) 1. of the statutes is repealed.

13 SECTION 47. 118.60 (7) (ad) 2. of the statutes is repealed.

14 SECTION 48. 118.60 (7) (ad) 3. of the statutes is renumbered 118.60 (7) (ad) and
15 amended to read:

16 118.60 (7) (ad) The governing body of a private school participating in the
17 program under this section and ~~accredited as that is required under subds. 1. and 2.~~
18 ~~and sub. (2) (a) 7. to be accredited under sub. (2) (bs)~~ shall ensure that the private
19 school continuously maintains accreditation from an accrediting entity as long as the
20 private school continues to participate in the program under this section.

****NOTE: This applies only to private schools that were not operating as private
schools on May 1, 2013. Okay?

21 SECTION 49. 118.60 (7) (am) (intro.) of the statutes is amended to read:

1 118.60 (7) (am) (intro.) Each private school participating in the program under
2 this section is subject to ~~uniform financial accounting standards established by the~~
3 ~~department generally accepted accounting principles.~~ Annually by September 1
4 following a school year in which a private school participated in the program under
5 this section, the private school shall submit to the department all of the following:

 ***NOTE: Are the references to “standards established by the American Institute
of Certified Public Accountants” in subds. 1. and 2. and in sub. (11) (a) still accurate with
this change? This note also applies to s. 119.23 (7) (am).

6 **SECTION 50.** 118.60 (7) (am) 1. of the statutes is amended to read:

7 118.60 (7) (am) 1. An independent financial audit of the private school
8 conducted by an independent certified public accountant, accompanied by the
9 auditor’s statement that the report is free of material misstatements and fairly
10 presents pupil costs ~~under sub. (4) (bg).~~ The audit under this subdivision shall be
11 limited in scope to those records that are necessary for the department to make
12 payments under subs. (4) and (4m), except that the audit shall include a schedule of
13 the education costs of pupils attending the private school under this section and the
14 balance held in a segregated fund for future educational purposes. The auditor shall
15 conduct his or her audit, including determining sample sizes and evaluating
16 financial viability, in accordance with the auditing standards established by the
17 American Institute of Certified Public Accountants. The department may not
18 require an auditor to comply with standards that exceed the scope of the standards
19 established by the American Institute of Certified Public Accountants. If a private
20 school participating in the program under this section also accepts pupils under s.
21 119.23, the private school may submit one comprehensive financial audit to satisfy
22 the requirements of this subdivision and s. 119.23 (7) (am) 1. The private school shall

1 include in the comprehensive financial audit the information specified under s.
2 119.23 (7) (am) 1.

****NOTE: Under current law, there is no requirement that a private school participating in a choice program maintain a segregated fund for future expenses. Also, please note that this draft eliminates the alternative payment amount under sub. (4) (bg) that is equal to the private school's operating and debt service cost per pupil. Therefore, the references to financial information related to pupil costs and to records necessary to make payments under sub. (4) are unclear. These issues also apply to the financial audit required under s. 119.23. Please advise.

3 **SECTION 51.** 118.60 (7) (an) of the statutes is created to read:

4 118.60 (7) (an) Annually by December 15 for an enrollment report required to
5 be submitted by October 1 and annually by September 1 for an enrollment report
6 required to be submitted by February 1, each private school participating in the
7 program under this section shall submit to the department an independent audit of
8 the private school's enrollment report submitted under sub. (4) (am). The auditor
9 shall identify all of the following in the audit:

- 10 1. Ineligible pupils for whom the private school has received payment.
- 11 2. The amount received for each pupil identified under subd. 1.
- 12 3. Any pupils attending the private school who qualify to participate in the
13 program under this section but who are not participating in the program under this
14 section.

****NOTE: Please confirm that this language is consistent with PI 35.04 (9) (a). Also, please consider whether you would like this audit to be treated in the same manner as the financial audit under s. 118.60 (7) (am) for the following purposes: 1. the appropriation for evaluating the private school financial information, s. 20.255 (1) (j); 2. the reasons for which the state superintendent may issue an order barring a private school from participating in the parental choice program, s. 118.60 (10) (a); 3. limitations on the rules that DPI may promulgate, s. 118.60 (11) (a); and 4. the list of information evaluated by the full-time auditor funded with fees paid by private schools participating in parental choice programs, s. 119.23 (2) (a) 3. These same issues apply to the creation of s. 119.23 (7) (an).

15 **SECTION 52.** 118.60 (7) (em) 1. of the statutes is amended to read:

1 118.60 (7) (em) 1. Beginning in the 2013–14 school year, the governing body of
2 each private school participating in the program under this section that is required
3 to maintain accreditation under par. (ad) shall, subject to subd. 2., annually, by
4 January 15, provide the department with evidence demonstrating that the private
5 school remains accredited for the current school year ~~as required under par. (ad)~~. The
6 governing body shall include as evidence of accreditation a letter prepared by an
7 accrediting entity that confirms that the private school is accredited by that entity
8 as of the date of the letter.

9 **SECTION 53.** 118.60 (8) of the statutes is repealed.

10 **SECTION 54.** 118.60 (9) of the statutes is amended to read:

11 118.60 (9) If any accrediting ~~or preaccrediting~~ entity determines during the
12 accrediting ~~or preaccrediting~~ process that a private school does not meet all of the
13 requirements under s. 118.165 (1), it shall report that failure to the department.

14 **SECTION 55.** 119.23 (1) (ab) 1. of the statutes is amended to read:

15 119.23 (1) (ab) 1. Wisconsin North Central Association, Wisconsin Religious
16 and Independent Schools Accreditation, Independent Schools Association of the
17 Central States, Wisconsin Evangelical Lutheran Synod School Accreditation,
18 National Lutheran School Accreditation, Wisconsin Association of Christian
19 Schools, Accrediting Association of Seventh–Day Adventist Schools, Association of
20 Waldorf Schools of North America, National Accreditation Board of Merkos
21 L'Inyonei Chinuch, North American Christian School Accrediting Agency, and the
22 diocese or archdiocese within which a private school is located, ~~and any other~~
23 ~~organization recognized by the National Council for Private School Accreditation.~~

24 **SECTION 56.** 119.23 (1) (ah) of the statutes is repealed.

25 **SECTION 57.** 119.23 (1) (ai) of the statutes is repealed.

1 **SECTION 58.** 119.23 (1) (am) of the statutes is repealed.

2 **SECTION 59.** 119.23 (1) (ap) of the statutes is repealed.

3 **SECTION 60.** 119.23 (1) (b) of the statutes is repealed.

4 **SECTION 61.** 119.23 (1) (c) of the statutes is repealed.

5 **SECTION 62.** 119.23 (2) (a) (intro.) of the statutes is amended to read:

6 119.23 (2) (a) (intro.) ~~Subject to pars. (ag) and (ar), any~~ Any pupil in grades
7 kindergarten to 12 who resides within the city may attend any private school if all
8 of the following apply:

9 **SECTION 63.** 119.23 (2) (a) 1. a. of the statutes is amended to read:

10 119.23 (2) (a) 1. a. The pupil is a member of a family that has a total family
11 income that does not exceed an amount equal to 3.0 times the poverty level
12 determined in accordance with criteria established by the director of the federal
13 office of management and budget. In this subdivision ~~and sub. (3m),~~ family income
14 includes income of the pupil's parents or legal guardians. The family income of the
15 pupil shall be verified as provided in subd. 1. b. A pupil attending a private school
16 under this section whose family income increases, including a pupil who attended a
17 private school under this section in the 2010–11 school year and whose family income
18 has increased, may continue to attend a private school under this section.

19 **SECTION 64.** 119.23 (2) (a) 1. b. of the statutes is amended to read:

20 119.23 (2) (a) 1. b. The private school or the pupil's parent or guardian submits
21 to the department of public instruction the names, addresses, social security
22 numbers, and other state and federal tax identification numbers, if any, of the pupil's
23 parents or legal guardians that reside in the same household as the pupil, whether
24 and to whom the parents or legal guardians are married, the names of all of the other
25 members of the pupil's family residing in the same household as the pupil, and the

1 school year for which family income is being verified under this subd. 1. b. The
2 department of revenue shall review the information submitted under this subd. 1.
3 b. and shall verify the eligibility or ineligibility of the pupil to participate in the
4 program under this section on the basis of family income. In this subdivision, "family
5 income" means federal adjusted gross income of the parents or legal guardians
6 residing in the same household as the pupil for the tax year preceding the school year
7 for which family income is being verified under this subd. 1. b. or, if not available, for
8 the tax year preceding the tax year preceding the school year for which family income
9 is being verified under this subd. 1. b. Family income for a family in which the pupil's
10 parents are married or in which the pupil's legal guardians are married shall be
11 reduced by \$7,000 before the verification is made under this subd. 1. b. The
12 department of revenue may take no other action on the basis of the information
13 submitted under this subd. 1. b. If the department of revenue is unable to verify
14 family income or to verify whether the pupil is eligible or ineligible to participate in
15 the program under this section on the basis of family income, the department of
16 revenue shall notify the department of public instruction of this fact and the
17 department of public instruction shall utilize an alternative process, to be
18 established by the department of public instruction, to determine whether the pupil
19 is eligible to participate in the program under this section on the basis of family
20 income. The department of public instruction may not request any additional
21 verification of income from the family of a pupil once the department of revenue has
22 verified that the pupil is eligible to participate in the program under this section on
23 the basis of family income. The department of public instruction shall establish a
24 procedure for determining family income eligibility for those pupils for whom no

1 social security number or state or federal tax identification number has been
2 provided.

***NOTE: Please see the embedded note following s. 118.60 (2) (a) 1. b.

3 SECTION 65. 119.23 (2) (a) 3. of the statutes is amended to read: *no strike*
4 119.23 (2) (a) 3. ~~Except as provided in sub. (2) (a) 1., the~~ *par.* ~~The~~ private school
5 notified the state superintendent of its intent to participate in the program under
6 this section or in the program under s. 118.60, and paid the nonrefundable annual
7 fee set by the department, by ~~February~~ *9* ~~December~~ *January 10* of the previous school year. The
8 notice shall specify the number of pupils participating in the program under this
9 section and in the program under s. 118.60 for which the school has space. The
10 department shall by rule set the fee charged under this subdivision at an amount
11 such that the total fee revenue covers the costs of employing one full-time auditor
12 to evaluate the financial information submitted by private schools under sub. (7)
13 (am) and (d) 2. and 3. and under s. 118.60 (7) (am) and (d) 2. and 3.

14 SECTION 66. 119.23 (2) (a) 4m. of the statutes is created to read:
15 119.23 (2) (a) 4m. The private school is a nonprofit organization.

16 SECTION 67. 119.23 (2) (a) 6. a. of the statutes is amended to read:
17 119.23 (2) (a) 6. a. Except as provided in subd. 6. c., all of the private school's
18 teachers have a teaching license issued by the department or a bachelor's degree or
19 a degree or educational credential higher than a bachelor's degree, including a
20 masters or doctorate, from an accredited institution of higher education.

21 SECTION 68. 119.23 (2) (a) 6. b. of the statutes is amended to read:
22 119.23 (2) (a) 6. b. All of the private school's administrators have at least a
23 bachelor's degree from an accredited institution of higher education or a teaching
24 license or administrator's license issued by the department.

1 **SECTION 69.** 119.23 (2) (a) 7. a. of the statutes is amended to read:

2 119.23 (2) (a) 7. a. Subject to subd. 7. c. and d., for a private school participating
3 in the program under this section on July 1, 2009, the private school achieves
4 accreditation by an accrediting entity by December 31 of the 3rd school year following
5 the first school year that begins after June 30, 2006, in which it participates in the
6 program under this section. ~~If the private school is accredited as provided under this~~
7 ~~subd. 7. a., the private school is not required to obtain preaccreditation under subd.~~
8 ~~7. bg. as a prerequisite to providing instruction under this section in additional~~
9 ~~grades or in an additional or new school.~~

10 **SECTION 70.** 119.23 (2) (a) 7. b. of the statutes is amended to read:

11 119.23 (2) (a) 7. b. Subject to subd. 7. c. and d., for a private school that was a
12 first-time participant in the program under this section before April 10, 2014, and
13 ~~that is not accredited by an accrediting entity, and was not operating as a private~~
14 school on May 1, 2013, the private school obtains accreditation from an accrediting
15 entity by December 31 of the 3rd school year following the first school year in which
16 the private school began participating in the program under this section. ~~If the~~
17 ~~private school is accredited under this subd. 7. b., the private school is not required~~
18 ~~to obtain preaccreditation under subd. 7. bg. as a prerequisite to providing~~
19 ~~instruction under this section in additional grades or in an additional or new school.~~

20 **SECTION 71.** 119.23 (2) (a) 7. bg. of the statutes is repealed.

21 **SECTION 72.** 119.23 (2) (a) 7. br. of the statutes is repealed.

22 **SECTION 73.** 119.23 (2) (a) 7. d. of the statutes is amended to read:

23 119.23 (2) (a) 7. d. For a private school that was approved for scholarship
24 funding for the 2005–06 school year by Partners Advancing Values in Education and
25 is participating in the program under this section on November 19, 2011, the private

1 school achieves accreditation by an accrediting entity by December 31, 2015. ~~If the~~
2 ~~private school is accredited as provided under this subd. 7. d., the private school is~~
3 ~~not required to obtain preaccreditation under subd. 7. bg. as a prerequisite to~~
4 ~~providing instruction under this section in additional grades or in an additional or~~
5 ~~new school.~~

6 **SECTION 74.** 119.23 (2) (a) 7. e. of the statutes is amended to read:

7 119.23 (2) (a) 7. e. For a private school that is accredited by the Institute for
8 the Transformation of Learning at Marquette University and that is participating
9 in the program under this section on April 10, 2014, the private school achieves
10 accreditation by an accrediting entity under sub. (1) (ab) 1. by December 31, 2014.
11 ~~If the private school is accredited as provided under this subd. 7. e., the private school~~
12 ~~is not required to obtain preaccreditation under subd. 7. bg. as a prerequisite to~~
13 ~~providing instruction under this section in additional grades or in an additional or~~
14 ~~new school.~~

15 **SECTION 75.** 119.23 (2) (ag) of the statutes is repealed.

16 **SECTION 76.** 119.23 (2) (ar) of the statutes is repealed.

17 **SECTION 77.** 119.23 (2) (bs) of the statutes is created to read:

18 119.23 (2) (bs) Beginning in the 2015–16 school year, a private school may
19 accept pupils under this section only if the private school is accredited to offer
20 instruction in the grades in which pupils may attend the private school by an
21 accrediting entity or by the Institute for the Transformation of Learning at
22 Marquette University under par. (a) 7. c., or was operating as a private school on May
23 1, 2013.

****NOTE: Please see the embedded note following s. 118.60 (2) (bs). Also, does it
work for this requirement to take effect in the 2015–16 school year?

1 **SECTION 78.** 119.23 (3) (a) (intro.) of the statutes is amended to read:

2 119.23 (3) (a) (intro.) The pupil or the pupil's parent or guardian shall submit
3 an application, on a form provided by the state superintendent, to the participating
4 private school that the pupil wishes to attend. If more than one pupil from the same
5 family applies to attend the same private school, the pupils may use a single
6 application. Within 60 days after receiving the application, the private school shall
7 notify each applicant, in writing, whether his or her application has been accepted.
8 If the private school rejects an application, the notice shall include the reason. A
9 private school may reject an applicant only if it has reached its maximum general
10 capacity or seating capacity. The state superintendent shall ensure that the private
11 school determines which pupils to accept on a random basis, except that the private
12 school may give preference to the following in accepting applications ~~to any of the~~
13 following, in order of preference listed:

14 **SECTION 79.** 119.23 (3) (a) 1. of the statutes is amended to read:

15 119.23 (3) (a) 1. Pupils who attended the private school under this section
16 during the previous school year ~~prior to the school year for which the application is~~
17 ~~being made.~~

18 **SECTION 80.** 119.23 (3) (a) 2. of the statutes is amended to read:

19 119.23 (3) (a) 2. Siblings of pupils ~~who attended the private school during the~~
20 ~~school year prior to the school year for which the application is being made and to~~
21 ~~siblings of pupils who have been accepted to the private school for the school year for~~
22 ~~which the application is being made~~ described in subd. 1.

23 **SECTION 81.** 119.23 (3) (a) 3. of the statutes is amended to read:

1 119.23 (3) (a) 3. Pupils who attended ~~another~~ a different private school under
2 this section or s. 118.60 during the previous school year prior to the school year for
3 which the application is being made.

4 **SECTION 82.** 119.23 (3) (a) 4. of the statutes is created to read:

5 119.23 (3) (a) 4. Siblings of pupils described in subd. 3.

6 **SECTION 83.** 119.23 (3) (a) 5. of the statutes is created to read:

7 119.23 (3) (a) 5. Siblings of those pupils who have been randomly accepted to
8 attend the private school under this section and who did not attend a private school
9 under this section or s. 118.60 during the previous school year.

10 **SECTION 84.** 119.23 (3m) (a) (intro.) of the statutes is renumbered 119.23 (3m)
11 (a) and amended to read:

12 119.23 (3m) (a) A private school participating in the program under this section
13 may not charge or receive any additional tuition payment for a pupil participating
14 in the program under this section other than the payment the school receives under
15 sub. (4) and, if applicable, sub. (4m), ~~if either of the following applies:~~

16 **SECTION 85.** 119.23 (3m) (a) 1. of the statutes is repealed.

17 **SECTION 86.** 119.23 (3m) (a) 2. of the statutes is repealed.

18 **SECTION 87.** 119.23 (3m) (b) of the statutes is repealed.

19 **SECTION 88.** 119.23 (3m) (c) of the statutes is repealed.

20 **SECTION 89.** 119.23 (4) (a) of the statutes is amended to read:

21 119.23 (4) (a) Annually, on or before October 15 1, a private school participating
22 in the program under this section shall file with the department a report stating its
23 summer average daily ~~membership equivalent~~ and its ~~summer choice average daily~~
24 ~~membership equivalent~~ attendance for each day of summer school for the purpose
25 of sub. (4m).

1 **SECTION 90.** 119.23 (4) (am) of the statutes is created to read:

2 119.23 (4) (am) 1. Annually by October 1, a private school participating in the
3 program under this section shall submit to the department a report of the total
4 number of pupils enrolled in the private school and the number of pupils enrolled in
5 the private school who are participating in the program under this section on the 3rd
6 Friday of September of the current school year.

7 2. Annually by February 1, a private school participating in the program under
8 this section shall submit to the department a report of the total number of pupils
9 enrolled in the private school and the number of pupils enrolled in the private school
10 who are participating in the program under this section on the 2nd Friday of January
11 of the current school year.

12 **SECTION 91.** 119.23 (4) (bg) 3. (intro.) and 119.23 (4) (bg) 3. b. of the statutes are
13 consolidated, renumbered 119.23 (4) (bg) 3. and amended to read:

14 119.23 (4) (bg) 3. In the 2015–16 school year and in each school year thereafter,
15 upon receipt from the pupil's parent or guardian of proof of the pupil's enrollment in
16 the private school during a school term, except as provided in subd. 5., the state
17 superintendent shall pay to the private school in which the pupil is enrolled on behalf
18 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fu), the
19 ~~lesser of the following: Except as provided in subd. 5.,~~ an amount equal to the sum
20 of the maximum amount per pupil the state superintendent paid a private school
21 under this section in the previous school year for the grade in which the pupil is
22 enrolled; the amount of the per pupil revenue adjustment under s. 121.91 (2m) for
23 the current school year, if positive; and the change in the amount of statewide
24 categorical aid per pupil between the previous school year and the current school
25 year, as determined under s. 118.40 (2r) (e) 2p., if positive.

1 **SECTION 92.** 119.23 (4) (bg) 3. a. of the statutes is repealed.

2 **SECTION 93.** 119.23 (4) (bg) 5. (intro.) of the statutes is amended to read:

3 119.23 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private
4 school that enrolls pupils under the program in any grade between kindergarten to
5 8 and also in any grade between 9 to 12, the state superintendent shall substitute
6 for the amount described in subd. 3. ~~b.~~ the amount determined under subd. 4. a. to
7 d., with the following modifications:

8 **SECTION 94.** 119.23 (4) (d) of the statutes is repealed.

9 **SECTION 95.** 119.23 (6m) (a) 3. of the statutes is amended to read:

10 119.23 (6m) (a) 3. ~~A notice stating whether the private school is an organization~~
11 ~~operated for profit or not for profit. If the private school is a nonprofit organization,~~
12 ~~the private school shall also provide the applicant with a~~ A copy of the certificate
13 issued under section 501 (c) (3) of the Internal Revenue Code verifying that the
14 private school is a nonprofit organization that is exempt from federal income tax.

15 **SECTION 96.** 119.23 (6m) (b) 3. of the statutes is repealed.

16 **SECTION 97.** 119.23 (7) (ad) 1. of the statutes is repealed.

17 **SECTION 98.** 119.23 (7) (ad) 2. of the statutes is repealed.

18 **SECTION 99.** 119.23 (7) (ad) 3. of the statutes is renumbered 119.23 (7) (ad) and
19 amended to read:

20 119.23 (7) (ad) The governing body of a private school participating in the
21 program under this section and ~~accredited as required under subds. 1. and 2. and~~
22 ~~sub. (2) (a) 7. that was not operating as a private school on May 1, 2013,~~ shall ensure
23 that the private school continuously maintains accreditation from an accrediting
24 entity as long as the private school continues to participate in the program under this
25 section.

1 **SECTION 100.** 119.23 (7) (am) (intro.) of the statutes is amended to read:

2 119.23 (7) (am) (intro.) Each private school participating in the program under
3 this section is subject to ~~uniform financial accounting standards established by the~~
4 ~~department generally accepted accounting principles.~~ Annually by September 1
5 following a school year in which a private school participated in the program under
6 this section, the private school shall submit to the department all of the following:

 ****NOTE: Please see the embedded note following s. 118.60 (7) (am) (intro.).

7 **SECTION 101.** 119.23 (7) (am) 1. of the statutes is amended to read:

8 119.23 (7) (am) 1. An independent financial audit of the private school
9 conducted by an independent certified public accountant, accompanied by the
10 auditor's statement that the report is free of material misstatements and fairly
11 presents pupil costs ~~under sub. (4) (bg).~~ The audit under this subdivision shall be
12 limited in scope to those records that are necessary for the department to make
13 payments under subs. (4) and (4m), except that the audit shall include a schedule of
14 the education costs of pupils attending the private school under this section and the
15 balance held in a segregated fund for future educational purposes. The auditor shall
16 conduct his or her audit, including determining sample sizes and evaluating
17 financial viability, in accordance with the auditing standards established by the
18 American Institute of Certified Public Accountants. The department may not
19 require an auditor to comply with standards that exceed the scope of the standards
20 established by the American Institute of Certified Public Accountants. If a private
21 school participating in the program under this section also accepts pupils under s.
22 118.60, the private school may submit one comprehensive financial audit to satisfy
23 the requirements of this subdivision and s. 118.60 (7) (am) 1. The private school shall

1 include in the comprehensive financial audit the information specified under s.
2 118.60 (7) (am) 1.

****NOTE: Please see the embedded note following s. 118.60 (7) (am) 1.

3 **SECTION 102.** 119.23 (7) (an) of the statutes is created to read:

4 119.23 (7) (an) Annually, by December 15, for an enrollment report required
5 to be submitted by October 1 and annually, by September 1, for an enrollment report
6 required to be submitted by February 1, each private school participating in the
7 program under this section shall submit to the department an independent audit of
8 the private school's enrollment report submitted under sub. (4) (am). The auditor
9 shall identify all of the following in the audit:

- 10 1. Ineligible pupils for whom the private school has received payment.
- 11 2. The amount received for each such pupil identified under subd. 1.
- 12 3. Any pupils attending the private school who qualify to participate in the
13 program under this section but who are not participating in the program under this
14 section.

****NOTE: Please see the note following the creation of s. 118.60 (7) (an).

15 **SECTION 103.** 119.23 (7) (em) 1. of the statutes is amended to read:

16 119.23 (7) (em) 1. Beginning in the 2013–14 school year, the governing body of
17 each private school participating in the program under this section that is required
18 to maintain accreditation under par. (ad) shall, subject to subd. 2., annually, by
19 January 15, provide the department with evidence demonstrating that the private
20 school remains accredited for the current school year as required under par. (ad). The
21 governing body shall include as evidence of accreditation a letter prepared by an
22 accrediting entity that confirms that the private school is accredited by that entity
23 as of the date of the letter.

1 **SECTION 104.** 119.23 (8) of the statutes is repealed.

2 **SECTION 105.** 119.23 (9) of the statutes is amended to read:

3 119.23 (9) If any accrediting ~~or preaccrediting~~ entity determines during the
4 accrediting ~~or preaccrediting~~ process that a private school does not meet all of the
5 requirements under s. 118.165 (1), it shall report that failure to the department.

6 **SECTION 106.** 119.46 (1) of the statutes is amended to read:

7 119.46 (1) As part of the budget transmitted annually to the common council
8 under s. 119.16 (8) (b), the board shall report the amount of money required for the
9 ensuing school year to operate all public schools in the city under this chapter, to
10 repair and keep in order school buildings and equipment, to make material
11 improvements to school property, and to purchase necessary additions to school sites.
12 The report shall specify the amount of net proceeds from the sale or lease of
13 city-owned property used for school purposes deposited in the immediately
14 preceding school year into the school operations fund as specified under s. 119.60
15 (2m) (c) or (5). The amount included in the report for the purpose of supporting the
16 Milwaukee Parental Choice Program under s. 119.23 shall be reduced by the amount
17 of aid received by the board under s. 121.136 ~~and by the amount specified in the~~
18 ~~notice received by the board under s. 121.137 (2).~~ The common council shall levy and
19 collect a tax upon all the property subject to taxation in the city, which shall be equal
20 to the amount of money required by the board for the purposes set forth in this
21 subsection, at the same time and in the same manner as other taxes are levied and
22 collected. Such taxes shall be in addition to all other taxes which the city is
23 authorized to levy. The taxes so levied and collected, any other funds provided by law
24 and placed at the disposal of the city for the same purposes, and the moneys deposited

1 in the school operations fund under s. 119.60 (1), (2m) (c), and (5), shall constitute
2 the school operations fund.

3 **SECTION 107.** 121.08 (4) (b) (intro.) and 121.08 (4) (b) 1. of the statutes are
4 consolidated, renumbered 121.08 (4) (b) and amended to read:

5 121.08 (4) (b) The amount of state aid that the school district operating under
6 ch. 119 is eligible to be paid from the appropriation under s. 20.255 (2) (ac) shall also
7 be reduced by the amount calculated as follows: ~~Multiply by~~ multiplying the amounts
8 paid under s. 119.23 (4) and (4m) in the 2009–10 school year by 41.6 percent, and
9 ~~multiply~~ multiplying the amounts paid under s. 119.23 (4) and (4m) in the 2010–11
10 to 2012–13 school years by 38.4 percent. Beginning in the 2013–14 school year,
11 multiply the amounts paid under s. 119.23 (4) and (4m) in the current school year by
12 a percentage determined by subtracting 3.2 percentage points from the percentage
13 that was applied under this ~~subdivision~~ paragraph in the previous school year. This
14 ~~subdivision~~ paragraph does not apply after the 2024–25 school year.

15 **SECTION 108.** 121.08 (4) (b) 2. of the statutes is repealed.

16 **SECTION 109.** 121.08 (4) (b) 3. of the statutes is repealed.

17 **SECTION 110.** 121.137 of the statutes is repealed.

18 **SECTION 111.** 121.90 (2) (am) 4. of the statutes is repealed.

19 **SECTION 9334. Initial applicability; Public Instruction.**

20 (1) APPLICATIONS TO PARTICIPATE IN A PARENTAL CHOICE PROGRAM. The treatment
21 of sections 118.60 (3) (a) 1. and (ar) 2., 3. b., 4., 6., and 6m. and 119.23 (3) (a) (intro.),
22 1., 2., 3., 4., and 5. of the statutes first applies to applications to participate in a
23 program under section 118.60 of the statutes or section 119.23 of the statutes in the
24 2016–17 school year.

****NOTE: I assumed that applications for the 2015-16 school year will have already been settled by the time the budget is adopted and made provisions related to that process first applicable to the 2016-17 year. Okay? Please let me know if there are other changes in this draft that should not apply to the 2015-16 school year.

1 **SECTION 9434. Effective dates; Public Instruction.**

2 (1) FIRST CLASS CITY SCHOOL TAX LEVY AID. The treatment of sections 20.255 (2)
3 (ac), 119.46 (1), 121.08 (4) (b) (intro.), 1., 2., and 3., 121.137, and 121.90 (2) (am) 4.
4 of the statutes takes effect on July 1, 2016.

5 (END)

Knepp, Fern

From: Stritchko, Megan E - DOA <MeganE.Stritchko@wisconsin.gov>
Sent: Friday, January 16, 2015 5:08 PM
To: Knepp, Fern
Subject: LRB 0633/P2 Various Changes to Parental Choice Programs

Hi Fern,

To follow up on our phone conversation yesterday, some edits to draft 0633/P2:

- ✓ • Note on Page 3: I think the modified language under 118.60(3)(ar)3. is fine as drafted.
- Note on page 6: My understanding of the continuing eligibility provisions is that they are outlined under ss. 118.60(7)(a) and 119.23(7)(a) – could you repeal these sections as well? *Keep in*
- ✓ • Page 6: I think we want to retain the provision under 118.60(6m)(b)3.d. that requires pupils scores for tests that are administered, but rather than require the submittal of scores under (7)(e), which includes tests that the private school may administer to pupils, we should instead require the submittal of scores required under s. 118.30(1t). Similarly, make the same changes under 119.23(6m)(b)3.d., but require the submittal of scores required under s. 118.30(1s). *per meegan 1-16*
- Page 6: As far as the GAAP audit goes, the requirements should be effective beginning in the 2015-16 school year. Schools should provide the previously required reports for the 2014-15 school year as required by current law.
 - I think we can repeal 118.60(4)(bg)5 (and 119.23(4)(bg)5) altogether since it is related to the calculation of the allowed maximum voucher amount – we’re no longer comparing the maximum voucher amount to the school’s actual per pupil cost, this language is not needed. *ME*
 - ↳ ○ For 118.60(7)(am)intro and 119.23(7)(am)intro, we can leave the intro as is under current law (rather than substitute uniform financial accounting standards for GAAP). *No change per meegan 1-16*
 - ✓ ○ 118.60(7)(am)1. and 119.23(7)(am)1 should remain as it is under current law until “fairly presents pupil costs under sub. (4)(bg)...” Remove that piece as well as the following sentence: “The audit under this subdivision shall be limited in scope to those records that are necessary for the department to make payments under subs. (4) and (4m).” Replace with the following language:
 - “The audit shall be prepared in accordance with generally accepted accounting principles, with modifications as prescribed by the department. The audit shall include a calculation of the net eligible educational programming costs of the school. The audit shall also include a calculation of the balance of the fund that must be used for future educational programming costs.”
 - The rest of (7)(am)1. should remain as it is under current law.
 - I think these changes should address your note on page 7, but if they don’t, please let me know.
- Note on page 12: I think the 2016-17 school year is fine. *ME*

Thanks, Fern. Please feel free to give me a call if you have any questions or these instructions are unclear!!!

Megan

Megan Stritchko
Executive Policy and Budget Analyst
Wisconsin Department of Administration
(608) 266-7329

*initial app
2015-16*



State of Wisconsin
2015 - 2016 LEGISLATURE

(TODAY 1/23 possible)



LRB-0633/P2
FFK:eev:rs

1R3

In 1-19

45

DOA:.....Stritchko, BB0234 – Various changes to parental choice programs

FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION

do NOT gen

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

Analysis by the Legislative Reference Bureau
EDUCATION

PRIMARY AND SECONDARY EDUCATION

Analysis

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

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

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

3 SECTION 2. 118.60 (1) (e) of the statutes is repealed.

4 SECTION 3. 118.60 (1) (f) of the statutes is repealed.

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

6 118.60 (2) (a) 3. a. Except as provided in subd. 3. b. and c. and sub. (2) par. (ag)

7 1., the private school notified the state superintendent of its intent to participate in

1 the program under this section or in the program under s. 119.23, and paid the
2 nonrefundable fee, set by the department as required under s. 119.23 (2) (a) 3., by
3 ~~February 1~~ January 10 of the previous school year. The notice shall specify the
4 number of pupils participating in the program under this section and in the program
5 under s. 119.23 for which the school has space.

6 **SECTION 5.** 118.60 (2) (a) 6. a. of the statutes is amended to read:

7 118.60 (2) (a) 6. a. Except as provided in subd. 6. c. and d., all of the private
8 school's teachers have a teaching license issued by the department or a bachelor's
9 degree or a degree or educational credential higher than a bachelor's degree,
10 including a masters or doctorate, from an accredited institution of higher education.

11 **SECTION 6.** 118.60 (2) (a) 6. b. of the statutes is amended to read:

12 118.60 (2) (a) 6. b. All of the private school's administrators have at least a
13 bachelor's degree from an accredited institution of higher education or a teaching
14 license or administrator's license issued by the department.

15 **SECTION 7.** 118.60 (3) (a) 1. of the statutes is repealed and recreated to read:

16 118.60 (3) (a) 1. The private school may give preference to the following in
17 accepting applications, in the order of preference listed:

18 a. Pupils who attended the private school under this section during the
19 previous school year.

20 b. Siblings of pupils described in subd. 1. a.

21 c. Pupils who attended a different private school under this section or s. 119.23
22 during the previous school year.

23 d. Siblings of pupils described under subd. 1. c.

1 e. Siblings of those pupils who have been randomly accepted to attend the
2 private school under this section and who did not attend a private school under this
3 section or s. 119.23 during the previous school year.

4 **SECTION 8.** 118.60 (3) (ar) 2. of the statutes is amended to read:

5 118.60 (3) (ar) 2. By May 1, 2014, and by May 1 of any school year thereafter,
6 each private school that has received applications under subd. 1. shall report to the
7 department the name of each pupil who has applied to attend the private school
8 under this section, the total number of pupils that have applied to attend the private
9 school under this section, ~~the names of those applicants that have siblings who have~~
10 ~~also applied to attend the private school under this section, and the number of such~~
11 ~~sibling applicants~~ any information the department determines is necessary to apply
12 the priorities listed in subd. 6m.

***NOTE: This is my attempt to ensure that DPI has the information it needs to
apply the priorities in subd. 6m. If you prefer to accomplish this in a different manner,
please let me know.

13 **SECTION 9.** 118.60 (3) (ar) 3. b. of the statutes is amended to read:

14 118.60 (3) (ar) 3. b. Subject to subd. 7., if the total number of applicants exceeds
15 the pupil participation limit established under sub. (2) (be) 2., the department shall
16 allocate to those private schools that participated in the program in the preceding
17 school year the same number of slots held by pupils participating in the program
18 under this section in that school year. The department shall allocate the remaining
19 slots to those private schools that received the most applications in the manner set
20 forth under par. (ag) 3. b. ~~If a pupil chosen by random drawing has a sibling that~~
21 ~~applied to the private school, the next available slot shall be filled by the sibling and~~
22 shall fill the pupil slots in each private school in accordance with subd. 6m.

23 **SECTION 10.** 118.60 (3) (ar) 4. of the statutes is amended to read:

1 118.60 (3) (ar) 4. The department shall establish and maintain a waiting list
2 for those applicants who were not selected ~~in a random drawing conducted under~~
3 ~~subd. 3. b., and shall give preference to siblings to attend a private school under subd.~~
4 3. b.

5 **SECTION 11.** 118.60 (3) (ar) 6. of the statutes is amended to read:

6 118.60 (3) (ar) 6. A private school that has accepted a pupil who resides in a
7 school district, other than ~~an~~ the eligible school district or a 1st class city school
8 district, under this paragraph shall notify the department whenever the private
9 school determines that a pupil will not attend the private school under this
10 paragraph. The department shall fill any such available slot with a pupil selected
11 ~~at random~~ from a waiting list established under subd. 4. in accordance with subd.
12 6m., if such a waiting list exists, ~~but shall give preference to a sibling of a pupil who~~
13 ~~resides in a school district other than an eligible school district and who is attending~~
14 ~~the private school under this section.~~

***NOTE: Please confirm that this is consistent with your intent.

15 **SECTION 12.** 118.60 (3) (ar) 6m. of the statutes is created to read:

16 118.60 (3) (ar) 6m. Beginning in the 2016–17 school year, the department shall
17 allocate available pupil slots under this paragraph as follows, in the order of
18 preference listed:

19 a. To pupils who attended the private school under this section during the
20 previous school year.

21 b. To siblings of pupils described in subd. 6m. a.

22 c. To pupils who attended a different private school under this section or s.
23 119.23 during the previous school year.

24 d. To siblings of pupils described under subd. 6m. c.

1 e. To pupils selected by random drawing. If a pupil chosen by random drawing
2 has a sibling that applied to the private school, the next available slot shall be filled
3 by the sibling.

****NOTE: Please confirm that this is consistent with your intent. The preference for a sibling of a pupil randomly selected to attend the private school exists under current law.

4 SECTION 13. 118.60 (4) (a) of the statutes is amended to read:

5 118.60 (4) (a) Annually, on or before October 15 1, a private school participating
6 in the program under this section shall file with the department a report stating its
7 summer average daily ~~membership equivalent~~ and its summer choice average daily
8 ~~membership equivalent~~ attendance for each day of summer school for the purpose
9 of sub. (4m).

10 SECTION 14. 118.60 (4) (bg) 3. (intro.) and 118.60 (4) (bg) 3. b. of the statutes are
11 consolidated, renumbered 118.60 (4) (bg) 3. and amended to read:

12 118.60 (4) (bg) 3. In the 2015–16 school year and in each school year thereafter,
13 upon receipt from the pupil's parent or guardian of proof of the pupil's enrollment in
14 the private school during a school term, except as provided in subd. 5., the state
15 superintendent shall pay to the private school in which the pupil is enrolled on behalf
16 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), ~~the~~
17 ~~lesser of the following: Except as provided in subd. 5.,~~ ^{b. ← strike} an amount equal to the sum
18 of the maximum amount per pupil the state superintendent paid a private school
19 under this section in the previous school year for the grade in which the pupil is
20 enrolled; the amount of the per pupil revenue adjustment under s. 121.91 (2m) for
21 the current school year, if positive; and the change in the amount of statewide
22 categorical aid per pupil between the previous school year and the current school
23 year, as determined under s. 118.40 (2r) (e) 2p., if positive.

1 SECTION 15. 118.60 (4) (bg) 3. a. of the statutes is repealed.

2 SECTION 16. 118.60 (4) (bg) 5. (intro.) of the statutes is amended to read:

3 118.60 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private
4 school that enrolls pupils under the program in any grade between kindergarten to
5 8 and also in any grade between 9 to 12, the state superintendent shall substitute
6 for the amount described in subd. 3. ~~b.~~ the amount determined under subd. 4. a. to
7 d., with the following modifications:

Handwritten notes: 'INS 6 a 8' with an arrow pointing to Section 17, and 'X' next to '9'.

8 SECTION 17. 118.60 (4) (d) of the statutes is repealed.

9 SECTION 18. 118.60 (6m) (b) 3. ^{a. to c. are} of the statutes ~~is~~ ^{are} repealed.

****NOTE: I believe this repeal addresses the reference to the requirement of a private school participating in a PCP to provide continuing eligibility reports and grade promotion reports and to submit certain test scores. Please confirm that this accurately reflects your intent.

Handwritten notes: 'INS' with an arrow pointing to Section 19, and 'X' next to '11'.

10 SECTION 19. 118.60 (7) (am) (intro.) of the statutes is amended to read:

11 118.60 (7) (am) (intro.) Each private school participating in the program under
12 this section is subject to ~~uniform financial accounting standards established by the~~
13 ~~department generally accepted accounting principles.~~ Annually by September 1
14 following a school year in which a private school participated in the program under
15 this section, the private school shall submit to the department all of the following:

****NOTE: Are the references to "standards established by the American Institute of Certified Public Accountants" in subds. 1. and 2. and in sub. (11) (a) still accurate with this change? This note also applies to s. 119.23 (7) (am).

16 SECTION 20. 118.60 (7) (am) 1. of the statutes is amended to read:

17 118.60 (7) (am) 1. An independent financial audit of the private school
18 conducted by an independent certified public accountant, accompanied by the
19 auditor's statement that the report is free of material misstatements and fairly
20 presents pupil costs ~~under sub. (4) (bg).~~ ^{strike} The audit under this subdivision shall be
21 ~~limited in scope to those records that are necessary for the department to make~~

Handwritten notes: 'strike' written twice with arrows pointing to the text in lines 20 and 21.

INS 7-3
Strike

1 ~~payments under subs. (4) and (4m)~~ except that the audit shall include a schedule of
 2 the education costs of pupils attending the private school under this section and the
 3 balance held in a segregated fund for future educational purposes. The auditor shall
 4 conduct his or her audit, including determining sample sizes and evaluating
 5 financial viability, in accordance with the auditing standards established by the
 6 American Institute of Certified Public Accountants. The department may not
 7 require an auditor to comply with standards that exceed the scope of the standards
 8 established by the American Institute of Certified Public Accountants. If a private
 9 school participating in the program under this section also accepts pupils under s.
 10 119.23, the private school may submit one comprehensive financial audit to satisfy
 11 the requirements of this subdivision and s. 119.23 (7) (am) 1. The private school shall
 12 include in the comprehensive financial audit the information specified under s.
 13 119.23 (7) (am) 1.

****NOTE: Under current law, there is no requirement that a private school participating in a choice program maintain a segregated fund for future expenses. Also, please note that this draft eliminates the alternative payment amount under sub. (4) (bg) that is equal to the private school's operating and debt service cost per pupil. Therefore, the references to financial information related to pupil costs and to records necessary to make payments under sub. (4) are unclear. These issues also apply to the financial audit required under s. 119.23. Please advise.

14 SECTION 21. 118.60 (8) of the statutes is repealed.

15 SECTION 22. 119.23 (1) (ah) of the statutes is repealed.

16 SECTION 23. 119.23 (1) (b) of the statutes is repealed.

17 SECTION 24. 119.23 (1) (c) of the statutes is repealed.

18 SECTION 25. 119.23 (2) (a) 3. of the statutes is amended to read:

19 119.23 (2) (a) 3. Except as provided in sub. (2) ~~par.~~ (ag) 1., the private school
 20 notified the state superintendent of its intent to participate in the program under
 21 this section or in the program under s. 118.60, and paid the nonrefundable annual

1 fee set by the department, by ~~February 1~~ January 10 of the previous school year. The
2 notice shall specify the number of pupils participating in the program under this
3 section and in the program under s. 118.60 for which the school has space. The
4 department shall by rule set the fee charged under this subdivision at an amount
5 such that the total fee revenue covers the costs of employing one full-time auditor
6 to evaluate the financial information submitted by private schools under sub. (7)
7 (am) and (d) 2. and 3. and under s. 118.60 (7) (am) and (d) 2. and 3.

8 **SECTION 26.** 119.23 (2) (a) 6. a. of the statutes is amended to read:

9 119.23 (2) (a) 6. a. Except as provided in subd. 6. c., all of the private school's
10 teachers have a teaching license issued by the department or a bachelor's degree or
11 a degree or educational credential higher than a bachelor's degree, including a
12 masters or doctorate, from an accredited institution of higher education.

13 **SECTION 27.** 119.23 (2) (a) 6. b. of the statutes is amended to read:

14 119.23 (2) (a) 6. b. All of the private school's administrators have at least a
15 bachelor's degree from an accredited institution of higher education or a teaching
16 license or administrator's license issued by the department.

17 **SECTION 28.** 119.23 (3) (a) (intro.) of the statutes is amended to read:

18 119.23 (3) (a) (intro.) The pupil or the pupil's parent or guardian shall submit
19 an application, on a form provided by the state superintendent, to the participating
20 private school that the pupil wishes to attend. If more than one pupil from the same
21 family applies to attend the same private school, the pupils may use a single
22 application. Within 60 days after receiving the application, the private school shall
23 notify each applicant, in writing, whether his or her application has been accepted.
24 If the private school rejects an application, the notice shall include the reason. A
25 private school may reject an applicant only if it has reached its maximum general

1 capacity or seating capacity. The state superintendent shall ensure that the private
2 school determines which pupils to accept on a random basis, except that the private
3 school may give preference to the following in accepting applications ~~to any of the~~
4 following, in order of preference listed:

5 **SECTION 29.** 119.23 (3) (a) 1. of the statutes is amended to read:

6 119.23 (3) (a) 1. Pupils who attended the private school under this section
7 during the previous school year ~~prior to the school year for which the application is~~
8 ~~being made.~~

9 **SECTION 30.** 119.23 (3) (a) 2. of the statutes is amended to read:

10 119.23 (3) (a) 2. Siblings of pupils ~~who attended the private school during the~~
11 ~~school year prior to the school year for which the application is being made and to~~
12 ~~siblings of pupils who have been accepted to the private school for the school year for~~
13 ~~which the application is being made~~ described in subd. 1.

14 **SECTION 31.** 119.23 (3) (a) 3. of the statutes is amended to read:

15 119.23 (3) (a) 3. Pupils who attended ~~another~~ a different private school under
16 this section or s. 118.60 during the previous school year ~~prior to the school year for~~
17 ~~which the application is being made.~~

18 **SECTION 32.** 119.23 (3) (a) 4. of the statutes is created to read:

19 119.23 (3) (a) 4. Siblings of pupils described in subd. 3.

20 **SECTION 33.** 119.23 (3) (a) 5. of the statutes is created to read:

21 119.23 (3) (a) 5. Siblings of those pupils who have been randomly accepted to
22 attend the private school under this section and who did not attend a private school
23 under this section or s. 118.60 during the previous school year.

24 **SECTION 34.** 119.23 (4) (a) of the statutes is amended to read:

1 119.23 (4) (a) Annually, on or before October 15 1, a private school participating
2 in the program under this section shall file with the department a report stating its
3 summer average daily membership equivalent and its summer choice average daily
4 membership equivalent attendance for each day of summer school for the purpose
5 of sub. (4m).

6 SECTION 35. 119.23 (4) (bg) 3. (intro.) and 119.23 (4) (bg) 3. b. of the statutes are
7 consolidated, renumbered 119.23 (4) (bg) 3. and amended to read:

8 119.23 (4) (bg) 3. In the 2015–16 school year and in each school year thereafter,
9 upon receipt from the pupil's parent or guardian of proof of the pupil's enrollment in
10 the private school during a school term, except as provided in subd. 5., the state
11 superintendent shall pay to the private school in which the pupil is enrolled on behalf
12 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fu), the
13 lesser of the following: ~~Except as provided in subd. 5.~~ ^{b. ← strike}, an amount equal to the sum
14 of the maximum amount per pupil the state superintendent paid a private school
15 under this section in the previous school year for the grade in which the pupil is
16 enrolled; the amount of the per pupil revenue adjustment under s. 121.91 (2m) for
17 the current school year, if positive; and the change in the amount of statewide
18 categorical aid per pupil between the previous school year and the current school
19 year, as determined under s. 118.40 (2r) (e) 2p., if positive.

20 SECTION 36. 119.23 (4) (bg) 3. a. of the statutes is repealed.

21 SECTION 37. 119.23 (4) (bg) 5. (intro.) of the statutes is amended to read:

22 119.23 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private
23 school that enrolls pupils under the program in any grade between kindergarten to
24 8 and also in any grade between 9 to 12, the state superintendent shall substitute

1 for the amount described in subd. 3. ~~b.~~ the amount determined under subd. 4. a. to
2 d., with the following modifications:

3 SECTION 38. 119.23 (4) (d) of the statutes is repealed.

4 SECTION 39. 119.23 (6m) (b) 3. ^{a. to c.} of the statutes ^{are} repealed.

5 SECTION 40. 119.23 (7) (am) (intro.) of the statutes is amended to read:

6 119.23 (7) (am) (intro.) Each private school participating in the program under
7 this section is subject to ~~uniform financial accounting standards established by the~~
8 ~~department generally accepted accounting principles.~~ Annually by September 1
9 following a school year in which a private school participated in the program under
10 this section, the private school shall submit to the department all of the following:

***NOTE: Please see the embedded note following s. 118.60 (7) (am) (intro.).

11 SECTION 41. 119.23 (7) (am) 1. of the statutes is amended to read:

12 119.23 (7) (am) 1. An independent financial audit of the private school
13 conducted by an independent certified public accountant, accompanied by the
14 auditor's statement that the report is free of material misstatements and fairly
15 presents pupil costs under sub. (4) (bg). ~~The audit under this subdivision shall be~~
16 ~~limited in scope to those records that are necessary for the department to make~~
17 ~~payments under subs. (4) and (4m), except that the audit shall include a schedule of~~
18 ~~the education costs of pupils attending the private school under this section and the~~
19 ~~balance held in a segregated fund for future educational purposes.~~ The auditor shall

20 conduct his or her audit, including determining sample sizes and evaluating
21 financial viability, in accordance with the auditing standards established by the
22 American Institute of Certified Public Accountants. The department may not
23 require an auditor to comply with standards that exceed the scope of the standards
24 established by the American Institute of Certified Public Accountants. If a private

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11-8

Ins
11-19

strike

1 school participating in the program under this section also accepts pupils under s.
2 118.60, the private school may submit one comprehensive financial audit to satisfy
3 the requirements of this subdivision and s. 118.60 (7) (am) 1. The private school shall
4 include in the comprehensive financial audit the information specified under s.
5 118.60 (7) (am) 1.

****NOTE: Please see the embedded note following s. 118.60 (7) (am) 1.

6 **SECTION 42.** 119.23 (8) of the statutes is repealed.

7 **SECTION 9334. Initial applicability; Public Instruction.**

8 (1) APPLICATIONS TO PARTICIPATE IN A PARENTAL CHOICE PROGRAM. The treatment
9 of sections 118.60 (3) (a) 1. and (ar) 2., 3. b., 4., 6., and 6m. and 119.23 (3) (a) (intro.),
10 1., 2., 3., 4., and 5. of the statutes first applies to applications to participate in a
11 program under section 118.60 of the statutes or section 119.23 of the statutes in the
12 2016–17 school year.

****NOTE: I assumed that applications for the 2015–16 school year will have already
been settled by the time the budget is adopted and made provisions related to that process
first applicable to the 2016–17 year. Okay? Please let me know if there are other changes
in this draft that should not apply to the 2015–16 school year.

13

(END)

Inh 12-12

**2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0633/P3ins2
FFK:.....

INS 6-9

1 **SECTION 1.** 118.60 (6m) (b) 3. (intro.) and d. of the statutes are consolidated,
2 renumbered 118.60 (6m) (b) 3. and amended to read:

3 118.60 **(6m)** (b) 3. (intro.) For each of the previous 5 school years in which the
4 private school has participated in the program under this section, ~~all of the following~~
5 ~~information: d. To~~ to the extent permitted under 20 USC 1232g and 43 CFR part 99,
6 pupil scores on all standardized tests administered under ~~sub. (7) (e) s. 118.30 (1t).~~

History: 2011 a. 32, 47, 215; 2013 a. 20, 2013 a. 166 s. 77; 2013 a. 173 s. 33; 2013 a. 237, 256.

History: When the department publicly releases data related to enrollment of, standardized test results for, applications submitted by, waiting lists for pupils participating in or seeking to participate in the program under this section, release the data all at the same time, uniformly, and completely.

END INS 6-9

INS 11-3

7 **SECTION 2.** 119.23 (6m) (b) 3. (intro.) and d. of the statutes are consolidated,
8 renumbered 119.23 (6m) (b) 3. and amended to read:

9 119.23 **(6m)** (b) 3. (intro.) For each of the previous 5 school years in which the
10 private school has participated in the program under this section, ~~all of the following~~
11 ~~information: d. To~~ to the extent permitted under 20 USC 1232g and 43 CFR part 99,
12 pupil scores on all standardized tests administered under ~~sub. (7) (e) s. 118.30 (1s).~~

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, 20, 165; 2013 a. 166 s. 77; 2013 a. 237, 256.

END INS 11-3

2015-2016 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0633/P3ins
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ANALYSIS INSERT

This bill makes a number of changes to the law governing the Milwaukee Parental Choice Program, the Racine Parental Choice Program, and the statewide parental choice program (PCPs).

Under current law, for each pupil attending a private school under a PCP, DPI pays the participating private school the lesser of the private school's per pupil educational programming costs and a maximum per pupil amount set by law. Current law also requires a participating private school to submit an annual financial audit prepared by an independent certified public accountant to DPI that includes the private schools' educational costs.

Under the bill, for each pupil attending a private school under a PCP, DPI pays the participating private school the per pupil amount set by law. The bill also requires that beginning with financial audits prepared for the 2015-16 school year, the annual financial audit must comply with generally accepted accounting principles, as modified by DPI, and that the audit must include a calculation of the private school's net eligible educational programming costs and the balance of the private school's fund for future educational programming costs.

Under current law, a private school participating in the Milwaukee PCP or the Racine PCP must accept pupil applications on a random basis except that the private school may give a preference to pupils who attended the private school, to siblings of pupils who attended the private school, and to pupils who attended a different private school under a PCP. For the statewide PCP, DPI determines the pupils that may attend each participating private school by a random drawing, except that DPI must give preference to a sibling of a pupil chosen by random drawing. This bill creates the following list of preferences which DPI must use to accept pupils to the statewide PCP and which participating private schools may use to accept pupil under the Milwaukee and Racine PCPs:

1. Pupils continuing at the participating private school.
2. Siblings of pupils continuing at the participating private school.
3. Pupils who previously attended a different participating private school.
4. Siblings of pupils who previously attended a different participating private school.
5. Siblings of pupils who were randomly accepted to attend the participating private school for the current school year.

Under current law, subject to certain exceptions, teachers and administrators employed by a participating private school must have at least a bachelor's degree. Under the bill, a teacher or administrator may also qualify to work at a participating private school by demonstrating that he or she has a teaching license or an administrator's license issued by DPI.

This bill eliminates the requirement under current law that a participating private school annually report the number of pupils participating in the PCP who graduated from twelfth grade, who advanced from eighth grade to ninth grade, and who advanced from fourth grade to fifth grade. This bill also eliminates the pupil assignment council for each PCP. Finally, this bill changes the date by which a

private school must notify DPI of its intent to participate in a PCP from February 1 of the previous school year to January 10 of the previous school year and the date by which a participating private school must file with DPI a report of its summer daily attendance from October 15 to October 1.

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

ANALYSIS INSERT

INS 6-10

(Intro.) and

1 **SECTION 1.** 118.60 (6m) (b) 3. d. of the statutes ~~is~~ renumbered 118.60 (6m) (b)
2 3. and amended to read:

3 118.60 **(6m)** (b) 3. To the extent permitted under 20 USC 1232g and 43 CFR
4 part 99, pupil scores on all standardized tests administered under sub. (7) (e) s.
5 118.30 (1t).

History: 2011 a. 32, 47, 215; 2013 a. 20, 2013 a. 166 s. 77; 2013 a. 173 s. 33; 2013 a. 237, 256.

History: When the department publicly releases data related to enrollment of, standardized test results for, applications submitted by, waiting lists for pupils participating in or seeking to participate in the program under this section, release the data all at the same time, uniformly, and completely.

END INS 6-10

INS 7-3

Woff

6 The audit shall be prepared in accordance with generally accepted accounting
7 principles, as modified by the department. The audit shall include a calculation of
8 the private school's net eligible educational programming costs and a calculation of
9 the balance of the private school's fund for future educational programming costs

END INS 7-3

INS 11-4

10 **SECTION 2.** 119.23 (6m) (b) 3. d. of the statutes is renumbered 119.23 (6m) (b)
11 3. and amended to read:

1 ~~119.23 (6m) (b) 3.~~ To the extent permitted under 20 USC 1232g and 43 CFR
 2 part 99, pupil scores on all standardized tests administered under sub. ~~(7) (e) s.~~
 3 118.30 (1s).

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, 20, 165; 2013 a. 166 s. 77; 2013 a. 237, 256.

END INS 11-4

INS 11-19

WPA

4 The audit shall be prepared in accordance with generally accepted accounting
 5 principles, as modified by the department. The audit shall include a calculation of
 6 the private school's net eligible educational programming costs and a calculation of
 7 the balance of the private school's fund for future educational programming costs

END INS 11-19

INS 12-12

#

8 (0) FINANCIAL AUDITS FOR PRIVATE SCHOOLS PARTICIPATING IN PARENTAL CHOICE
 9 PROGRAMS. The treatment of sections 118.60 (7) (am) 1. and 119.23 (7) (am) 1. of the
 10 statutes first applies to a financial audit of the 2015-16 school year.

END INS 12-12

✓ ✓