



State of Wisconsin  
2015 - 2016 LEGISLATURE

In 1-28

LRB-0633/P3  
FFK:eev&cjrs

twj

1/14  
RMA

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**

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.

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

- 1            **SECTION 1.** 118.60 (1) (b) of the statutes is repealed.
- 2            **SECTION 2.** 118.60 (1) (e) of the statutes is repealed.
- 3            **SECTION 3.** 118.60 (1) (f) of the statutes is repealed.
- 4            **SECTION 4.** 118.60 (2) (a) 3. a. of the statutes is amended to read:

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

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

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

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

14          118.60 (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 7.** 118.60 (3) (a) 1. of the statutes is repealed and recreated to read:

18          118.60 (3) (a) 1. The private school may give preference to the following in  
19          accepting applications, in the order of preference listed: ✓

20          a. Pupils who attended the private school under this section during the  
21          previous school year.

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

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

25          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.

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:

24 118.60 (3) (ar) 4. The department shall establish and maintain a waiting list  
25 for those applicants who were not selected ~~in a random drawing conducted under~~

1 ~~subd. 3. b., and shall give preference to siblings to attend a private school under subd.~~  
2 ~~3. b.~~

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

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

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

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

17 a. To pupils who attended the private school under this section during the  
18 previous school year.

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

20 c. To pupils who attended a different private school under this section or s.  
21 119.23 during the previous school year.

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

23 e. To pupils selected by random drawing. <sup>A</sup>If a pupil chosen by random drawing  
24 has a sibling that applied to the private school, the next available slot shall be filled  
25 by the sibling.

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

2 118.60 (4) (a) Annually, on or before October 15 1, a private school participating  
3 in the program under this section shall file with the department a report stating its  
4 summer average daily ~~membership equivalent and its summer choice average daily~~  
5 ~~membership equivalent~~ attendance for each day of summer school for the purpose  
6 of sub. (4m).

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

9 118.60 (4) (bg) 3. <sup>Subject to subd. 4. in</sup> ~~In the 2015-16~~ <sup>2017-18</sup> school year and in each school year thereafter,  
10 upon receipt from the pupil's parent or guardian of proof of the pupil's enrollment in  
11 the private school during a school term, except as provided in subd. 5., the state  
12 superintendent shall pay to the private school in which the pupil is enrolled on behalf  
13 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), ~~the~~  
14 ~~lesser of the following:~~ b. ~~Except as provided in subd. 5.,~~ an amount equal to the sum  
15 of the maximum amount per pupil the state superintendent paid a private school  
16 under this section in the previous school year for the grade in which the pupil is  
17 enrolled; the amount of the per pupil revenue adjustment under s. 121.91 (2m) for  
18 the current school year, if positive; and the change in the amount of statewide  
19 categorical aid per pupil between the previous school year and the current school  
20 year, as determined under s. 118.40 (2r) (e) 2p., if positive.

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

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

23 118.60 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private  
24 school that enrolls pupils under the program in any grade between kindergarten to  
25 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 17.** 118.60 (4) (d) of the statutes is repealed.

4 **SECTION 18.** 118.60 (6m) (b) 3. (intro.) and d. of the statutes are consolidated,  
5 renumbered 118.60 (6m) (b) 3. and amended to read:

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

10 **SECTION 19.** 118.60 (6m) (b) 3. a. to c. of the statutes are repealed.

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

12 118.60 **(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). The audit shall be prepared in accordance with~~  
18 generally accepted accounting principles, as modified by the department. The audit  
19 shall include a calculation of the private school's net eligible educational  
20 programming costs and a calculation of the balance of the private school's fund for  
21 future educational programming costs. The auditor shall conduct his or her audit,  
22 including determining sample sizes and evaluating financial viability, in accordance  
23 with the auditing standards established by the American Institute of Certified  
24 Public Accountants. The department may not require an auditor to comply with  
25 standards that exceed the scope of the standards established by the American

1 Institute of Certified Public Accountants. If a private school participating in the  
2 program under this section also accepts pupils under s. 119.23, the private school  
3 may submit one comprehensive financial audit to satisfy the requirements of this  
4 subdivision and s. 119.23 (7) (am) 1. The private school shall include in the  
5 comprehensive financial audit the information specified under s. 119.23 (7) (am) 1.

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

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

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

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

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

11 119.23 (2) (a) 3. Except as provided in sub. ~~(2)~~ par. (ag) 1., the private school  
12 notified the state superintendent of its intent to participate in the program under  
13 this section or in the program under s. 118.60, and paid the nonrefundable annual  
14 fee set by the department, by ~~February 1~~ January 10 of the previous school year. The  
15 notice shall specify the number of pupils participating in the program under this  
16 section and in the program under s. 118.60 for which the school has space. The  
17 department shall by rule set the fee charged under this subdivision at an amount  
18 such that the total fee revenue covers the costs of employing one full-time auditor  
19 to evaluate the financial information submitted by private schools under sub. (7)  
20 (am) and (d) 2. and 3. and under s. 118.60 (7) (am) and (d) 2. and 3.

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

22 119.23 (2) (a) 6. a. Except as provided in subd. 6. c., all of the private school's  
23 teachers have a teaching license issued by the department or a bachelor's degree or  
24 a degree or educational credential higher than a bachelor's degree, including a  
25 masters or doctorate, from an accredited institution of higher education.



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

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

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

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

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

19           119.23 (3) (a) 1. Pupils who attended the private school under this section  
20 during the previous school year ~~prior to the school year for which the application is~~  
21 ~~being made.~~

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

23           119.23 (3) (a) 2. Siblings of pupils ~~who attended the private school during the~~  
24 ~~school year prior to the school year for which the application is being made and to~~

1 ~~siblings of pupils who have been accepted to the private school for the school year for~~  
2 ~~which the application is being made~~ described in subd. 1.

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

4 119.23 (3) (a) 3. Pupils who attended ~~another~~ a different private school under  
5 this section or s. 118.60 during the previous school year ~~prior to the school year for~~  
6 ~~which the application is being made.~~

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

8 119.23 (3) (a) 4. Siblings of pupils described in subd. 3.

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

10 119.23 (3) (a) 5. Siblings of those pupils who have been randomly accepted to  
11 attend the private school under this section and who did not attend a private school  
12 under this section or s. 118.60 during the previous school year.

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

14 119.23 (4) (a) Annually, on or before October 15 1, a private school participating  
15 in the program under this section shall file with the department a report stating its  
16 summer average daily ~~membership equivalent and its summer choice average daily~~  
17 ~~membership equivalent~~ attendance for each day of summer school for the purpose  
18 of sub. (4m).

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

21 119.23 (4) (bg) 3. In the ~~2015-16~~ <sup>Strike 7. of 2017-18</sup> school year and in each school year thereafter,  
22 upon receipt from the pupil's parent or guardian of proof of the pupil's enrollment in  
23 the private school during a school term, except as provided in subd. 5., the state  
24 superintendent shall pay to the private school in which the pupil is enrolled on behalf  
25 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fu), ~~the~~

1 lesser of the following: ~~b. Except as provided in subd. 5,~~ an amount equal to the sum  
2 of the maximum amount per pupil the state superintendent paid a private school  
3 under this section in the previous school year for the grade in which the pupil is  
4 enrolled; the amount of the per pupil revenue adjustment under s. 121.91 (2m) for  
5 the current school year, if positive; and the change in the amount of statewide  
6 categorical aid per pupil between the previous school year and the current school  
7 year, as determined under s. 118.40 (2r) (e) 2p., if positive.

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

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

10 119.23 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private  
11 school that enrolls pupils under the program in any grade between kindergarten to  
12 8 and also in any grade between 9 to 12, the state superintendent shall substitute  
13 for the amount described in subd. 3. ~~b.~~ the amount determined under subd. 4. a. to  
14 d., with the following modifications:

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

16 **SECTION 39.** 119.23 (6m) (b) 3. (intro.) and d. of the statutes are consolidated,  
17 renumbered 119.23 (6m) (b) 3. and amended to read:

18 119.23 (6m) (b) 3. For each of the previous 5 school years in which the private  
19 school has participated in the program under this section, ~~all of the following~~  
20 ~~information: d. To~~ to the extent permitted under 20 USC 1232g and 43 CFR part 99,  
21 pupil scores on all standardized tests administered under ~~sub. (7) (e)~~ s. 118.30 (1s).

22 **SECTION 40.** 119.23 (6m) (b) 3. a. to c. of the statutes are repealed.

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

24 119.23 (7) (am) 1. An independent financial audit of the private school  
25 conducted by an independent certified public accountant, accompanied by the

INS  
11-7

1 auditor's statement that the report is free of material misstatements and fairly  
2 presents pupil costs under sub. (4) (bg). ~~The audit under this subdivision shall be~~  
3 ~~limited in scope to those records that are necessary for the department to make~~  
4 ~~payments under subs. (4) and (4m). The audit shall be prepared in accordance with~~  
5 generally accepted accounting principles, as modified by the department. The audit  
6 shall include a calculation of the private school's net eligible educational  
7 programming costs and a calculation of the balance of the private school's fund for  
8 future educational programming costs. The auditor shall conduct his or her audit,  
9 including determining sample sizes and evaluating financial viability, in accordance  
10 with the auditing standards established by the American Institute of Certified  
11 Public Accountants. The department may not require an auditor to comply with  
12 standards that exceed the scope of the standards established by the American  
13 Institute of Certified Public Accountants. If a private school participating in the  
14 program under this section also accepts pupils under s. 118.60, the private school  
15 may submit one comprehensive financial audit to satisfy the requirements of this  
16 subdivision and s. 118.60 (7) (am) 1. The private school shall include in the  
17 comprehensive financial audit the information specified under s. 118.60 (7) (am) 1.

18 **SECTION 42.** 119.23 (8) 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.

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

4

(END)

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

LRB-0633/P4ins  
FFK:.....

**INS 6-6**

1           **SECTION 1.** 118.60 (4) (bg) 2m. of the statutes is created to read:

2           118.60 (4) (bg) 2m. Except as provided in subd. 4. and subject to subd. 6., in the  
3           2015-16 and 2016-17 school years, upon receipt from the pupil's parent or guardian  
4           of proof of the pupil's enrollment in the private school during a school term, the state  
5           superintendent shall pay to the private school in which the pupil is enrolled on behalf  
6           of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), an  
7           amount either of \$7,210, if the pupil is enrolled in a grade from kindergarten to 8,  
8           or of \$7,856, if the pupil is enrolled in a grade from 9 to 12. ✓

      \*\*\*\*NOTE: This is reconciled s. 118.60 (4) (bg) 2m. This SECTION has been affected  
by drafts with the following LRB numbers: -0663/P3, -1261/P1, and -1137/P4

**END INS 6-6**

**INS 6-20**

      \*\*\*\*NOTE: This is reconciled s. 118.60 (4) (bg) 2m. This SECTION has been affected  
by drafts with the following LRB numbers: -0663/P3, -1261/P1, and -1137/P4

**END INS 6-20**

**INS 10-18**

9           **SECTION 2.** 119.23 (4) (bg) 2m. of the statutes is created to read:

10          119.23 (4) (bg) 2m. Except as provided in subd. 4., in the 2015-16 and 2016-17  
11          school years, upon receipt from the pupil's parent or guardian of proof of the pupil's  
12          enrollment in the private school during a school term, the state superintendent shall  
13          pay to the private school in which the pupil is enrolled on behalf of the pupil's parent  
14          or guardian, from the appropriation under s. 20.255 (2) (fu), the lesser of an amount  
15          equal to the private school's operating and debt service cost per pupil that is related

1 ~~to educational programming, as determined by the department, or~~ an amount either  
2 of \$7,210, if the pupil is enrolled in a grade from kindergarten to 8, or of \$7,856, if  
3 the pupil is enrolled in a grade from 9 to 12.

\*\*\*\*NOTE: This is reconciled s. 118.60(4)(bg) 2m. <sup>119.23 er</sup> This SECTION has been affected  
by drafts with the following LRB numbers: -0663/P3 and -1261/P1 <sup>0</sup>

END INS 10-18 <sup>0633</sup>

INS 11-7

\*\*\*\*NOTE: This is reconciled s. 118.60(4)(bg) 2m. <sup>er</sup> This SECTION has been affected  
by drafts with the following LRB numbers: -0663/P3 and -1261/P1 <sup>0</sup>

END INS 11-7 <sup>8633</sup>

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0633/P4dn

FFK:.....

WJ

Date

This draft reconciles LRB-0633/P3, LRB-1261/P1, and LRB-1137/P4. All of these drafts should continue to appear in the compiled bill.

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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0633/P4dn  
FFK:wlj:jm

January 29, 2015

This draft reconciles LRB-0633/P3, LRB-1261/P1, and LRB-1137/P4. All of these drafts should continue to appear in the compiled bill.

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State of Wisconsin  
2015 - 2016 LEGISLATURE

*draft*

LRB-0633/P4  
FFK:cjs&wlj:jm  
*5/15*  
*RMR*

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.

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*Analysis by the Legislative Reference Bureau*  
**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

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.

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

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

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

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

4           118.60 (2) (a) 3. a. Except as provided in subd. 3. b. and c. and ~~sub. (2) par.~~ (ag)

5           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 4.** 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 5.** 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 6.** 118.60 (3) (ar) 2. of the statutes is amended to read:

16 118.60 (3) (ar) 2. By May 1, 2014, and by May 1 of any school year thereafter,  
17 each private school that has received applications under subd. 1. shall report to the  
18 department the name of each pupil who has applied to attend the private school  
19 under this section, the total number of pupils that have applied to attend the private  
20 school under this section, ~~the names of those applicants that have siblings who have~~  
21 ~~also applied to attend the private school under this section,~~ and the number of such  
22 sibling applicants any information the department determines is necessary to apply  
23 the priorities listed in subd. 6m.

24 **SECTION 7.** 118.60 (3) (ar) 3. b. of the statutes is amended to read:

1 118.60 (3) (ar) 3. b. Subject to subd. 7., if the total number of applicants exceeds  
2 the pupil participation limit established under sub. (2) (be) 2., the department shall  
3 allocate to those private schools that participated in the program in the preceding  
4 school year the same number of slots held by pupils participating in the program  
5 under this section in that school year. The department shall allocate the remaining  
6 slots to those private schools that received the most applications in the manner set  
7 forth under par. (ag) 3. b. ~~If a pupil chosen by random drawing has a sibling that~~  
8 ~~applied to the private school, the next available slot shall be filled by the sibling and~~  
9 shall fill the pupil slots in each private school in accordance with subd. 6m.

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

11 118.60 (3) (ar) 4. The department shall establish and maintain a waiting list  
12 for those applicants who were not selected ~~in a random drawing conducted under~~  
13 ~~subd. 3. b., and shall give preference to siblings to attend a private school under subd.~~  
14 3. b.

15 SECTION 9. 118.60 (3) (ar) 6. of the statutes is amended to read:

16 118.60 (3) (ar) 6. A private school that has accepted a pupil who resides in a  
17 school district, other than ~~an~~ the eligible school district or a 1st class city school  
18 district, under this paragraph shall notify the department whenever the private  
19 school determines that a pupil will not attend the private school under this  
20 paragraph. The department shall fill any such available slot with a pupil selected  
21 ~~at random~~ from a waiting list established under subd. 4. in accordance with subd.  
22 6m., if such a waiting list exists, ~~but shall give preference to a sibling of a pupil who~~  
23 ~~resides in a school district other than an eligible school district and who is attending~~  
24 ~~the private school under this section.~~

25 SECTION 10. 118.60 (3) (ar) 6m. of the statutes is created to read:

1 118.60 (3) (ar) 6m. Beginning in the 2016–17 school year, the department shall  
2 allocate available pupil slots under this paragraph as follows, in the order of  
3 preference listed:

4 a. To pupils who attended the private school under this section during the  
5 previous school year.

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

7 c. To pupils who attended a different private school under this section or s.  
8 119.23 during the previous school year.

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

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

13 **SECTION 11.** 118.60 (4) (a) of the statutes is amended to read:

14 118.60 (4) (a) Annually, on or before October 15 1, a private school participating  
15 in the program under this section shall file with the department a report stating its  
16 summer average daily ~~membership equivalent and its summer choice average daily~~  
17 ~~membership equivalent~~ attendance for each day of summer school for the purpose  
18 of sub. (4m).

19 **SECTION 12.** 118.60 (4) (bg) 2m. of the statutes is created to read:

20 118.60 (4) (bg) 2m. Except as provided in subd. 4. and subject to subd. 6., in the  
21 2015–16 and 2016–17 school years, upon receipt from the pupil's parent or guardian  
22 of proof of the pupil's enrollment in the private school during a school term, the state  
23 superintendent shall pay to the private school in which the pupil is enrolled on behalf  
24 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), an

1 amount either of \$7,210, if the pupil is enrolled in a grade from kindergarten to 8,  
2 or of \$7,856, if the pupil is enrolled in a grade from 9 to 12.

\*\*\*\*NOTE: This is reconciled s. 118.60 (4) (bg) 2m. This SECTION has been affected  
by drafts with the following LRB numbers: -0663/P3, -1261/P1, and -1137/P4.

3 **SECTION 13.** 118.60 (4) (bg) 3. (intro.) and 118.60 (4) (bg) 3. b. of the statutes are  
4 consolidated, renumbered 118.60 (4) (bg) 3. and amended to read:

5 118.60 (4) (bg) 3. ~~In Subject to subd. 6., in the 2015–16 2017–18 school year and~~  
6 ~~in each school year thereafter, upon receipt from the pupil’s parent or guardian of~~  
7 ~~proof of the pupil’s enrollment in the private school during a school term, except as~~  
8 ~~provided in subd. 5., the state superintendent shall pay to the private school in which~~  
9 ~~the pupil is enrolled on behalf of the pupil’s parent or guardian, from the~~  
10 ~~appropriation under s. 20.255 (2) (fr), the lesser of the following: b. ~~Except as~~~~  
11 ~~provided in subd. 5., an amount equal to the sum of the maximum amount per pupil~~  
12 ~~the state superintendent paid a private school under this section in the previous~~  
13 ~~school year for the grade in which the pupil is enrolled; the amount of the per pupil~~  
14 ~~revenue adjustment under s. 121.91 (2m) for the current school year, if positive; and~~  
15 ~~the change in the amount of statewide categorical aid per pupil between the previous~~  
16 ~~school year and the current school year, as determined under s. 118.40 (2r) (e) 2p.,~~  
17 ~~if positive.~~

\*\*\*\*NOTE: This is reconciled s. 118.60 (4) (bg) 3. This SECTION has been affected by  
drafts with the following LRB numbers: -0663/P3, -1261/P1, and -1137/P4.

18 **SECTION 14.** 118.60 (4) (bg) 3. a. of the statutes is repealed.

19 **SECTION 15.** 118.60 (4) (bg) 5. (intro.) of the statutes is amended to read:

20 118.60 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private  
21 school that enrolls pupils under the program in any grade between kindergarten to  
22 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 16.** 118.60 (4) (d) of the statutes is repealed.

4 **SECTION 17.** 118.60 (6m) (b) 3. (intro.) and d. of the statutes are consolidated,  
5 renumbered 118.60 (6m) (b) 3. and amended to read:

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

10 **SECTION 18.** 118.60 (6m) (b) 3. a. to c. of the statutes are repealed.

11 **SECTION 19.** 118.60 (7) (am) 1. of the statutes is amended to read:

12 118.60 **(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). The audit shall be prepared in accordance with~~  
18 generally accepted accounting principles, as modified by the department. The audit  
19 shall include a calculation of the private school's net eligible educational  
20 programming costs and a calculation of the balance of the private school's fund for  
21 future educational programming costs. The auditor shall conduct his or her audit,  
22 including determining sample sizes and evaluating financial viability, in accordance  
23 with the auditing standards established by the American Institute of Certified  
24 Public Accountants. The department may not require an auditor to comply with  
25 standards that exceed the scope of the standards established by the American



1 Institute of Certified Public Accountants. If a private school participating in the  
2 program under this section also accepts pupils under s. 119.23, the private school  
3 may submit one comprehensive financial audit to satisfy the requirements of this  
4 subdivision and s. 119.23 (7) (am) 1. The private school shall include in the  
5 comprehensive financial audit the information specified under s. 119.23 (7) (am) 1.

6 **SECTION 20.** 118.60 (8) of the statutes is repealed.

7 **SECTION 21.** 119.23 (1) (ah) of the statutes is repealed.

8 **SECTION 22.** 119.23 (1) (b) of the statutes is repealed.

9 **SECTION 23.** 119.23 (1) (c) of the statutes is repealed.

10 **SECTION 24.** 119.23 (2) (a) 3. of the statutes is amended to read:

11 119.23 (2) (a) 3. Except as provided in ~~sub. (2) par.~~ (ag) 1., the private school  
12 notified the state superintendent of its intent to participate in the program under  
13 this section or in the program under s. 118.60, and paid the nonrefundable annual  
14 fee set by the department, by ~~February 1~~ January 10 of the previous school year. The  
15 notice shall specify the number of pupils participating in the program under this  
16 section and in the program under s. 118.60 for which the school has space. The  
17 department shall by rule set the fee charged under this subdivision at an amount  
18 such that the total fee revenue covers the costs of employing one full-time auditor  
19 to evaluate the financial information submitted by private schools under sub. (7)  
20 (am) and (d) 2. and 3. and under s. 118.60 (7) (am) and (d) 2. and 3.

21 **SECTION 25.** 119.23 (2) (a) 6. a. of the statutes is amended to read:

22 119.23 (2) (a) 6. a. Except as provided in subd. 6. c., all of the private school's  
23 teachers have a teaching license issued by the department or a bachelor's degree or  
24 a degree or educational credential higher than a bachelor's degree, including a  
25 masters or doctorate, from an accredited institution of higher education.

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

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

5           **SECTION 27.** 119.23 (3) (a) (intro.) of the statutes is amended to read:

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

18           **SECTION 28.** 119.23 (3) (a) 1. of the statutes is amended to read:

19           119.23 (3) (a) 1. Pupils who attended the private school under this section  
20 during the previous school year ~~prior to the school year for which the application is~~  
21 ~~being made.~~

22           **SECTION 29.** 119.23 (3) (a) 2. of the statutes is amended to read:

23           119.23 (3) (a) 2. Siblings of pupils ~~who attended the private school during the~~  
24 ~~school year prior to the school year for which the application is being made and to~~

1 ~~siblings of pupils who have been accepted to the private school for the school year for~~  
2 ~~which the application is being made~~ described in subd. 1.

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

4 119.23 (3) (a) 3. Pupils who attended ~~another~~ a different private school under  
5 this section or s. 118.60 during the previous school year ~~prior to the school year for~~  
6 ~~which the application is being made.~~

7 **SECTION 31.** 119.23 (3) (a) 4. of the statutes is created to read:

8 119.23 (3) (a) 4. Siblings of pupils described in subd. 3.

9 **SECTION 32.** 119.23 (3) (a) 5. of the statutes is created to read:

10 119.23 (3) (a) 5. Siblings of those pupils who have been randomly accepted to  
11 attend the private school under this section and who did not attend a private school  
12 under this section or s. 118.60 during the previous school year.

13 **SECTION 33.** 119.23 (4) (a) of the statutes is amended to read:

14 119.23 (4) (a) Annually, on or before October 15 1, a private school participating  
15 in the program under this section shall file with the department a report stating its  
16 ~~summer average daily membership equivalent and its summer choice average daily~~  
17 ~~membership equivalent~~ attendance for each day of summer school for the purpose  
18 of sub. (4m).

19 **SECTION 34.** 119.23 (4) (bg) 2m. of the statutes is created to read:

20 119.23 (4) (bg) 2m. Except as provided in subd. 4., in the 2015–16 and 2016–17  
21 school years, upon receipt from the pupil's parent or guardian of proof of the pupil's  
22 enrollment in the private school during a school term, the state superintendent shall  
23 pay to the private school in which the pupil is enrolled on behalf of the pupil's parent  
24 or guardian, from the appropriation under s. 20.255 (2) (fu), an amount either of

1 \$7,210, if the pupil is enrolled in a grade from kindergarten to 8, or of \$7,856, if the  
2 pupil is enrolled in a grade from 9 to 12.

\*\*\*\*NOTE: This is reconciled s. 119.23 (4) (bg) 2m. This SECTION has been affected  
by drafts with the following LRB numbers: -0633/P3 and -1261/P1.

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

5 119.23 (4) (bg) 3. In the ~~2015-16~~ 2017-18 school year and in each school year  
6 thereafter, upon receipt from the pupil's parent or guardian of proof of the pupil's  
7 enrollment in the private school during a school term, except as provided in subd. 5.,  
8 the state superintendent shall pay to the private school in which the pupil is enrolled  
9 on behalf of the pupil's parent or guardian, from the appropriation under s. 20.255  
10 (2) (fu), ~~the lesser of the following: b. Except as provided in subd. 5.~~, an amount equal  
11 to the sum of the maximum amount per pupil the state superintendent paid a private  
12 school under this section in the previous school year for the grade in which the pupil  
13 is enrolled; the amount of the per pupil revenue adjustment under s. 121.91 (2m) for  
14 the current school year, if positive; and the change in the amount of statewide  
15 categorical aid per pupil between the previous school year and the current school  
16 year, as determined under s. 118.40 (2r) (e) 2p., if positive.

\*\*\*\*NOTE: This is reconciled s. 118.60 (4) (bg) 2m. This SECTION has been affected  
by drafts with the following LRB numbers: -0633/P3 and -1261/P1.

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

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

19 119.23 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private  
20 school that enrolls pupils under the program in any grade between kindergarten to  
21 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. (intro.) and d. of the statutes are consolidated,  
5 renumbered 119.23 (6m) (b) 3. and amended to read:

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

10 **SECTION 40.** 119.23 (6m) (b) 3. a. to c. of the statutes are repealed.

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).~~ The audit shall be prepared in accordance with  
18 generally accepted accounting principles, as modified by the department. The audit  
19 shall include a calculation of the private school's net eligible educational  
20 programming costs and a calculation of the balance of the private school's fund for  
21 future educational programming costs. The auditor shall conduct his or her audit,  
22 including determining sample sizes and evaluating financial viability, in accordance  
23 with the auditing standards established by the American Institute of Certified  
24 Public Accountants. The department may not require an auditor to comply with  
25 standards that exceed the scope of the standards established by the American

1 Institute of Certified Public Accountants. If a private school participating in the  
2 program under this section also accepts pupils under s. 118.60, the private school  
3 may submit one comprehensive financial audit to satisfy the requirements of this  
4 subdivision and s. 118.60 (7) (am) 1. The private school shall include in the  
5 comprehensive financial audit the information specified under 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) <sup>(intro.)</sup> ~~1. and (ar) 2., 3. b., 4., 6., and 6m.~~ and 119.23 (3) (a) (intro.),  
10 <sup>(intro.), a. to c., 1m., 2., 2m., 3., 4., and 5.</sup> 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.

13 (2) FINANCIAL AUDITS FOR PRIVATE SCHOOLS PARTICIPATING IN PARENTAL CHOICE  
14 PROGRAMS. The treatment of sections 118.60 (7) (am) 1. and 119.23 (7) (am) 1. of the  
15 statutes first applies to a financial audit of the 2015–16 school year.

16 (END)

D-Note

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0633/P5dn

FFK.....*SF*

*Date*

This draft reconciles LRB-0633/P3, LRB-1261/P1, and LRB-1137/P4. All of these drafts should continue to appear in the compiled bill.

Fern Knepp  
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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0633/P5dn  
FFK:kjfrs

January 30, 2015

This draft reconciles LRB-0633/P3, LRB-1261/P1, and LRB-1137/P4. All of these drafts should continue to appear in the compiled bill.

Fern Knepp  
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State of Wisconsin  
2015 - 2016 LEGISLATURE

LRB-0633/P5  
FFK:cjs&wlj:rs

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

**FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION**

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

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*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

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.

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

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

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

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

4           118.60 (2) (a) 3. a. Except as provided in subd. 3. b. and c. and sub. ~~(2)~~ par. (ag)

5           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 4.** 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 5.** 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 6.** 118.60 (4) (a) of the statutes is amended to read:

16 118.60 (4) (a) Annually, on or before October ~~15~~ 1, a private school participating  
17 in the program under this section shall file with the department a report stating its  
18 ~~summer average daily membership equivalent and its summer choice average daily~~  
19 ~~membership equivalent~~ attendance for each day of summer school for the purpose  
20 of sub. (4m).

21 **SECTION 7.** 118.60 (4) (bg) 2m. of the statutes is created to read:

22 118.60 (4) (bg) 2m. Except as provided in subd. 4. and subject to subd. 6., in the  
23 2015-16 and 2016-17 school years, upon receipt from the pupil's parent or guardian  
24 of proof of the pupil's enrollment in the private school during a school term, the state  
25 superintendent shall pay to the private school in which the pupil is enrolled on behalf

1 of the pupil's parent or guardian, from the appropriation under s. 20.255 (2) (fr), an  
2 amount either of \$7,210, if the pupil is enrolled in a grade from kindergarten to 8,  
3 or of \$7,856, if the pupil is enrolled in a grade from 9 to 12.

\*\*\*\*NOTE: This is reconciled s. 118.60 (4) (bg) 2m. This SECTION has been affected  
by drafts with the following LRB numbers: -0663/P3, -1261/P1, and -1137/P4.

4 SECTION 8. 118.60 (4) (bg) 3. (intro.) and 118.60 (4) (bg) 3. b. of the statutes are  
5 consolidated, renumbered 118.60 (4) (bg) 3. and amended to read:

6 118.60 (4) (bg) 3. ~~In~~ Subject to subd. 6., in the 2015–16 2017–18 school year and  
7 in each school year thereafter, upon receipt from the pupil's parent or guardian of  
8 proof of the pupil's enrollment in the private school during a school term, except as  
9 provided in subd. 5., the state superintendent shall pay to the private school in which  
10 the pupil is enrolled on behalf of the pupil's parent or guardian, from the  
11 appropriation under s. 20.255 (2) (fr), ~~the lesser of the following: b. Except as~~  
12 ~~provided in subd. 5.,~~ an amount equal to the sum of the maximum amount per pupil  
13 the state superintendent paid a private school under this section in the previous  
14 school year for the grade in which the pupil is enrolled; the amount of the per pupil  
15 revenue adjustment under s. 121.91 (2m) for the current school year, if positive; and  
16 the change in the amount of statewide categorical aid per pupil between the previous  
17 school year and the current school year, as determined under s. 118.40 (2r) (e) 2p.,  
18 if positive.

\*\*\*\*NOTE: This is reconciled s. 118.60 (4) (bg) 3. This SECTION has been affected by  
drafts with the following LRB numbers: -0663/P3, -1261/P1, and -1137/P4.

19 SECTION 9. 118.60 (4) (bg) 3. a. of the statutes is repealed.

20 SECTION 10. 118.60 (4) (bg) 5. (intro.) of the statutes is amended to read:

21 118.60 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private  
22 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 11.** 118.60 (4) (d) of the statutes is repealed.

5 **SECTION 12.** 118.60 (6m) (b) 3. (intro.) and d. of the statutes are consolidated,  
6 renumbered 118.60 (6m) (b) 3. and amended to read:

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

11 **SECTION 13.** 118.60 (6m) (b) 3. a. to c. of the statutes are repealed.

12 **SECTION 14.** 118.60 (7) (am) 1. of the statutes is amended to read:

13 118.60 (7) (am) 1. An independent financial audit of the private school  
14 conducted by an independent certified public accountant, accompanied by the  
15 auditor's statement that the report is free of material misstatements and fairly  
16 presents pupil costs ~~under sub. (4) (bg). The audit under this subdivision shall be~~  
17 ~~limited in scope to those records that are necessary for the department to make~~  
18 ~~payments under subs. (4) and (4m). The audit shall be prepared in accordance with~~  
19 generally accepted accounting principles, as modified by the department. The audit  
20 shall include a calculation of the private school's net eligible educational  
21 programming costs and a calculation of the balance of the private school's fund for  
22 future educational programming costs. The auditor shall conduct his or her audit,  
23 including determining sample sizes and evaluating financial viability, in accordance  
24 with the auditing standards established by the American Institute of Certified  
25 Public Accountants. The department may not require an auditor to comply with

1 standards that exceed the scope of the standards established by the American  
2 Institute of Certified Public Accountants. If a private school participating in the  
3 program under this section also accepts pupils under s. 119.23, the private school  
4 may submit one comprehensive financial audit to satisfy the requirements of this  
5 subdivision and s. 119.23 (7) (am) 1. The private school shall include in the  
6 comprehensive financial audit the information specified under s. 119.23 (7) (am) 1.

7 **SECTION 15.** 118.60 (8) of the statutes is repealed.

8 **SECTION 16.** 119.23 (1) (ah) of the statutes is repealed.

9 **SECTION 17.** 119.23 (1) (b) of the statutes is repealed.

10 **SECTION 18.** 119.23 (1) (c) of the statutes is repealed.

11 **SECTION 19.** 119.23 (2) (a) 3. of the statutes is amended to read:

12 119.23 (2) (a) 3. Except as provided in sub-~~(2)~~ par. (ag) 1., the private school  
13 notified the state superintendent of its intent to participate in the program under  
14 this section or in the program under s. 118.60, and paid the nonrefundable annual  
15 fee set by the department, by ~~February 1~~ January 10 of the previous school year. The  
16 notice shall specify the number of pupils participating in the program under this  
17 section and in the program under s. 118.60 for which the school has space. The  
18 department shall by rule set the fee charged under this subdivision at an amount  
19 such that the total fee revenue covers the costs of employing one full-time auditor  
20 to evaluate the financial information submitted by private schools under sub. (7)  
21 (am) and (d) 2. and 3. and under s. 118.60 (7) (am) and (d) 2. and 3.

22 **SECTION 20.** 119.23 (2) (a) 6. a. of the statutes is amended to read:

23 119.23 (2) (a) 6. a. Except as provided in subd. 6. c., all of the private school's  
24 teachers have a teaching license issued by the department or a bachelor's degree or

1 a degree or educational credential higher than a bachelor's degree, including a  
2 masters or doctorate, from an accredited institution of higher education.

3 **SECTION 21.** 119.23 (2) (a) 6. b. of the statutes is amended to read:

4 119.23 (2) (a) 6. b. All of the private school's administrators have at least a  
5 bachelor's degree from an accredited institution of higher education or a teaching  
6 license or administrator's license issued by the department.

7 **SECTION 22.** 119.23 (3) (a) (intro.) of the statutes is amended to read:

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

20 **SECTION 23.** 119.23 (3) (a) 1. of the statutes is amended to read:

21 119.23 (3) (a) 1. Pupils who attended the private school under this section  
22 during the previous school year ~~prior to the school year for which the application is~~  
23 ~~being made.~~

24 **SECTION 24.** 119.23 (3) (a) 2. of the statutes is amended to read:

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

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

6           119.23 (3) (a) 3. Pupils who attended ~~another~~ a different private school under  
7 this section or s. 118.60 during the previous school year ~~prior to the school year for~~  
8 ~~which the application is being made.~~

9           **SECTION 26.** 119.23 (3) (a) 4. of the statutes is created to read:

10          119.23 (3) (a) 4. Siblings of pupils described in subd. 3.

11          **SECTION 27.** 119.23 (3) (a) 5. of the statutes is created to read:

12          119.23 (3) (a) 5. Siblings of those pupils who have been randomly accepted to  
13 attend the private school under this section and who did not attend a private school  
14 under this section or s. 118.60 during the previous school year.

15          **SECTION 28.** 119.23 (4) (a) of the statutes is amended to read:

16          119.23 (4) (a) Annually, on or before October ~~15~~ 1, a private school participating  
17 in the program under this section shall file with the department a report stating its  
18 summer average daily ~~membership equivalent and its summer choice average daily~~  
19 ~~membership equivalent~~ attendance for each day of summer school for the purpose  
20 of sub. (4m).

21          **SECTION 29.** 119.23 (4) (bg) 2m. of the statutes is created to read:

22          119.23 (4) (bg) 2m. Except as provided in subd. 4., in the 2015–16 and 2016–17  
23 school years, upon receipt from the pupil's parent or guardian of proof of the pupil's  
24 enrollment in the private school during a school term, the state superintendent shall  
25 pay to the private school in which the pupil is enrolled on behalf of the pupil's parent



1 or guardian, from the appropriation under s. 20.255 (2) (fu), an amount either of  
2 \$7,210, if the pupil is enrolled in a grade from kindergarten to 8, or of \$7,856, if the  
3 pupil is enrolled in a grade from 9 to 12.

\*\*\*\*NOTE: This is reconciled s. 119.23 (4) (bg) 2m. This SECTION has been affected  
by drafts with the following LRB numbers: -0633/P3 and -1261/P1.

4 **SECTION 30.** 119.23 (4) (bg) 3. (intro.) and 119.23 (4) (bg) 3. b. of the statutes are  
5 consolidated, renumbered 119.23 (4) (bg) 3. and amended to read:

6 119.23 (4) (bg) 3. In the ~~2015-16~~ 2017-18 school year and in each school year  
7 thereafter, upon receipt from the pupil's parent or guardian of proof of the pupil's  
8 enrollment in the private school during a school term, except as provided in subd. 5.,  
9 the state superintendent shall pay to the private school in which the pupil is enrolled  
10 on behalf of the pupil's parent or guardian, from the appropriation under s. 20.255  
11 (2) (fu), ~~the lesser of the following: b. Except as provided in subd. 5.,~~ an amount equal  
12 to the sum of the maximum amount per pupil the state superintendent paid a private  
13 school under this section in the previous school year for the grade in which the pupil  
14 is enrolled; the amount of the per pupil revenue adjustment under s. 121.91 (2m) for  
15 the current school year, if positive; and the change in the amount of statewide  
16 categorical aid per pupil between the previous school year and the current school  
17 year, as determined under s. 118.40 (2r) (e) 2p., if positive.

\*\*\*\*NOTE: This is reconciled s. 118.60 (4) (bg) 2m. This SECTION has been affected  
by drafts with the following LRB numbers: -0633/P3 and -1261/P1.

18 **SECTION 31.** 119.23 (4) (bg) 3. a. of the statutes is repealed.

19 **SECTION 32.** 119.23 (4) (bg) 5. (intro.) of the statutes is amended to read:

20 119.23 (4) (bg) 5. (intro.) If the pupil described in subd. 3. is enrolled in a private  
21 school that enrolls pupils under the program in any grade between kindergarten to  
22 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 33.** 119.23 (4) (d) of the statutes is repealed.

4 **SECTION 34.** 119.23 (6m) (b) 3. (intro.) and d. of the statutes are consolidated,  
5 renumbered 119.23 (6m) (b) 3. and amended to read:

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

10 **SECTION 35.** 119.23 (6m) (b) 3. a. to c. of the statutes are repealed.

11 **SECTION 36.** 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).~~ The audit shall be prepared in accordance with  
18 generally accepted accounting principles, as modified by the department. The audit  
19 shall include a calculation of the private school's net eligible educational  
20 programming costs and a calculation of the balance of the private school's fund for  
21 future educational programming costs. The auditor shall conduct his or her audit,  
22 including determining sample sizes and evaluating financial viability, in accordance  
23 with the auditing standards established by the American Institute of Certified  
24 Public Accountants. The department may not require an auditor to comply with  
25 standards that exceed the scope of the standards established by the American

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

6 **SECTION 37.** 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) (intro.) 1. (intro.), a. to c., 1m, 2., 2m., 3., 4., and 5. and 119.23  
10 (3) (a) (intro.), 1., 2., 3., 4., and 5. of the statutes first applies to applications to  
11 participate in a program under section 118.60 of the statutes or section 119.23 of the  
12 statutes in the 2016-17 school year.

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

16

(END)