



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

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:

SECTION 1. 118.60 (1) (e) of the statutes is repealed.

SECTION 2. 118.60 (1) (f) of the statutes is repealed.

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

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

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

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

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

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

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

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

SECTION 6. 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 7. 118.60 (4) (bg) 2m. of the statutes is created to read:

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

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

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

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

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

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

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

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

SECTION 11. 118.60 (4) (d) of the statutes is repealed.

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

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

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

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

118.60 **(7)** (am) 1. An independent financial audit of the private school conducted by an independent certified public accountant, accompanied by the auditor's statement that the report is free of material misstatements and fairly presents pupil costs ~~under sub. (4) (bg).~~ ~~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).~~ The audit shall be prepared in accordance with generally accepted accounting principles, as modified by the department. The audit shall include a calculation of the private school's net eligible educational programming costs and a calculation of the balance of the private school's fund for future educational programming costs. The auditor shall conduct his or her audit, including determining sample sizes and evaluating financial viability, in accordance with the auditing standards established by the American Institute of Certified Public Accountants. The department may not require an auditor to comply with

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 33. 119.23 (4) (d) of the statutes is repealed.

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

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

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

SECTION 36. 119.23 (7) (am) 1. of the statutes is amended to read:

119.23 **(7)** (am) 1. An independent financial audit of the private school conducted by an independent certified public accountant, accompanied by the auditor's statement that the report is free of material misstatements and fairly presents pupil costs under sub. (4) (bg). ~~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). The audit shall be prepared in accordance with generally accepted accounting principles, as modified by the department. The audit shall include a calculation of the private school's net eligible educational programming costs and a calculation of the balance of the private school's fund for future educational programming costs.~~ The auditor shall conduct his or her audit, including determining sample sizes and evaluating financial viability, in accordance with the auditing standards established by the American Institute of Certified Public Accountants. The department may not require an auditor to comply with standards that exceed the scope of the standards established by the American

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

SECTION 37. 119.23 (8) of the statutes is repealed.

SECTION 9334. Initial applicability; Public Instruction.

(1) APPLICATIONS TO PARTICIPATE IN A PARENTAL CHOICE PROGRAM. The treatment of sections 118.60 (3) (a) (intro.) 1. (intro.), a. to c., 1m, 2., 2m., 3., 4., and 5. and 119.23 (3) (a) (intro.), 1., 2., 3., 4., and 5. of the statutes first applies to applications to participate in a program under section 118.60 of the statutes or section 119.23 of the statutes in the 2016-17 school year.

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

(END)