



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2017 Wisconsin Act 36
[2017 Senate Bill 293]

Changes to Special Needs Scholarship and Parental Choice Programs

2017 Wisconsin Act 36 makes changes to the Special Needs Scholarship Program (SNSP) and to the Milwaukee Parental Choice Program (MPCP), the Racine Parental Choice Program (RPCP), and the Wisconsin Parental Choice Program (WPCP) (collectively, the choice programs).

CHANGES TO THE SPECIAL NEEDS SCHOLARSHIP PROGRAM

Act 36 makes modifications to the SNSP, including the following changes:

- Alters how students participating in the SNSP are counted for school district revenue limit purposes, such that a school district receives a revenue limit exemption equal to the amount of state general aid reduction for a pupil participating in the program.
- Authorizes the Department of Public Instruction (DPI) to bar a private school from the SNSP program for intentionally or negligently misrepresenting information.
- Clarifies that a private school participating in the SNSP must administer state assessments to SNSP students upon request if the school administers the assessments to any other student attending the school.
- Allows an Individualized Education Program (IEP) team appointed by a nonresident school board to reevaluate an SNSP student.
- Requires private schools in the SNSP to directly obtain verification that a student has an IEP or services plan, rather than DPI.
- Requires an independent financial audit prepared in accordance with generally accepted accounting principles (GAAP) if a private school participating in the SNSP received a total of at least \$100,000 under both the SNSP and the choice programs in

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

any school year. If a school has not received \$100,000 in any school year, then the financial audit must be prepared as prescribed by DPI rule.

- Makes financial standards and audit requirements for a private school in the SNSP mirror provisions applicable to private schools in the choice programs, and allows a school participating in multiple programs to submit one comprehensive financial audit to satisfy requirements for both the SNSP and choice programs.

CHANGES TO THE PARENTAL CHOICE PROGRAMS

Act 36 makes the following changes to requirements that apply to private schools participating in a choice program (hereinafter, "choice school"):

- Requires a choice school to conduct criminal background checks of employees and prohibits them from employing anyone not permitted to hold a teaching license as the result of an offense or anyone who poses a threat to the safety of others. The requirements first apply in the 2018-19 school year.
- Eliminates the requirement for a choice school to annually meet one of four performance standards related to grade level advancement, attendance rate, academic progress, or parental involvement.
- Exempts a choice school from administering certain assessments if fewer than 20 pupils in grades 3 to 12 are attending the school under a choice program.
- Requires a choice school that does not maintain a cash and investment balance at least equal to its reserve balance to refund the reserve balance to DPI.
- Requires an independent financial audit prepared in accordance with GAAP if a choice school received a total of at least \$100,000 under the choice programs and the SNSP in any school year. If a school has not received \$100,000 in any school year, then the financial audit must be prepared as prescribed by DPI rule.
- Eliminates the requirement for a school newly participating in a choice program to submit the school's budget to DPI by November 1.
- Permits a choice school to charge participating students reasonable fees for room and board.
- Allows a choice school to count up to 140 hours of work in a work-based learning program towards the minimum required hours of direct pupil instruction.
- Modifies the deadlines by which a choice school must report continued accreditation and summer school attendance.
- Makes changes related to when a choice school must submit school policies, academic standards, and signatures of members of its governing body to DPI.
- Authorizes DPI to bar a private school from a choice program for intentionally or negligently misrepresenting information.

- Permits a private school that intends to begin participating in a choice program the option to submit a surety bond to DPI, as an alternative to submitting a complete anticipated budget for the first fiscal period of participation. If a school chooses to submit a surety bond, the school must continue to submit surety bonds each year until the school submits specified financial information indicating it is financially viable. The provisions first apply in the 2018-19 school year.

Act 36 makes the following changes related to application procedures for choice programs:

- Exempts an applicant for the WPCP from providing income documentation or verifying family income if the applicant was on a WPCP waiting list in the previous school year.
- Exempts an applicant for the MPCP or the RPCP from providing income documentation and eliminates the requirement to verify income if the applicant participated in MPCP or RPCP in the prior year and is now applying to the other program.
- Allows parents or guardians of choice program applicants to directly submit information used by the Department of Revenue to verify income eligibility.
- Changes the deadline for choice schools to notify an applicant regarding acceptance of his or her application to 60 days after the application period ends.
- Expands the criteria for participating in the WPCP and RPCP related to prior year attendance requirements so that students who meet any of the following in the prior year are also eligible for the programs: (1) a student who participated in any choice program in the prior year; (2) a student who attended school in another state; or (3) a student who was on any choice waiting list.
- Provides priority in the random draw for accepting choice applications for a particular school to include students who attended that school in the prior year under any choice program.
- Limits the requirement for DPI to apply certain WPCP random selection procedures to the period during which there is a percentage limit on how many students from a particular school district may participate.
- Permits DPI to transfer an accepted WPCP application to another choice program for a student who continues to attend the same choice school, but who moves to Racine or Milwaukee from another district, provided that the WPCP school also participates in the other choice program.
- Permits DPI to transfer an accepted application from one WPCP school to another WPCP school during a specified period in August, if the student moves after the application period, there is space at the choice school, and the student lives in a school district that has not exceeded its percentage participation limit.

OTHER CHANGES

Act 36 also makes a number of technical changes, including updates to statutory references and organizational names.

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