



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Representative Kitchens Testimony on AB 383

Good morning Chairman Thiesfeldt and members of the Education Committee,

Thank you for holding a hearing and allowing me the opportunity to testify in support of AB 383 today. This legislation has been introduced to address the discrepancies in the operation of the four school choice programs in our state and create uniformity in the way the programs are administered. This bill increases accountability of choice schools and creates background checks for teachers, as well as simplifying the administration process for the Department of Public Instruction (DPI).

A good portion of this bill is made up of non-fiscal policy items that were in the Governor's proposed budget and removed by the Joint Finance Committee earlier this session. Much of this bill also focuses on eliminating forms and results that choice schools submit, now deemed redundant by DPI as the school report card addresses these issues. Overall, this bill will both increase accountability for choice schools and streamline their operation.

As I'm sure you've all had a chance to see, this bill is quite long and technically complex. Therefore, I am going to defer all your questions to School Choice and DPI who will be testifying shortly as I'm certain that they will be able to answer your questions in greater detail than I will. The two organizations have worked closely together with us on this for months to ensure that the choice programs are made more efficient on the back end for DPI, and most importantly, more effective for parents and students. The result of those negotiations is what we have before us today. I would also like to thank my co-author in the Assembly, Representative Fields, and our Senate authors, Senator Olsen and Senator Taylor.

Thank you for holding this hearing and I ask for your support on this bipartisan bill. I now turn my microphone over to School Choice and DPI, testifying together. Thank you.

Assembly Committee on Education
Tuesday, June 13, 2017

**Department of Public Instruction
Testimony on Assembly Bill 383
Related to Private School Voucher Programs**

Thank you Chairman Thiesfeldt and members of the Committee for the opportunity to be here today to testify on this bill. My name is Jeff Pertl and I am the Senior Policy Advisor for the Department of Instruction. With me today is Tricia Collins, Director of the School Management Services team, which administers the private school voucher programs at the department.

We appreciated the opportunity to work with the authors of this bill in developing this language to help ensure the bill carries out the authors' intent and is workable for both participating schools and the department.

There are four private school voucher programs in Wisconsin. The Milwaukee Parental Choice Program (MPCP), the Racine (RPCP), the Wisconsin or statewide (WPCP), and the Special Needs Scholarship Program (SNSP). All these programs have different requirements, which makes it difficult for schools and the department to administer and can be confusing to parents. Most of the provisions of this bill try to address that concern. None of the provisions in this bill change the statewide limits on participation in the WPCP.

Additionally, the bill applies a uniform background check standard among the parental choice programs and public schools, clarifies the department's power to act when false information is presented, and corrects the funding flaw in the special needs voucher program where schools are not able to recover the complete cost of the program.

While the bill is long, the provisions included fall into three main categories:

- Program Changes
- Administrative Efficiencies
- Technical/Clean-up Language

We will provide a summary of the provisions and answer questions you may have regarding the bill. The department is in support or neutral on all of the provisions included in this bill. The blue text should help clarify the rationale for a particular change.

The bill includes the following program requirement modifications.

Background Checks:

Beginning in 2018-19, require choice schools to conduct criminal background checks of its employees and exclude from employment anyone not permitted to hold a teaching license as a result of an offense or anyone believed to pose a threat to the safety of others. This language models the background check requirements for the SNSP. Currently, only private schools participating in the SNSP are statutorily required to complete background checks. The Governor included background check language in the budget bill for the voucher programs, but the provisions were removed from the budget as policy items.

[Sections 62, 94]

SNSP Payments:

Fund SNPS pupils in a manner similar to pupils participating in the RPCP and WPCP. Under the bill resident school districts would receive a revenue limit exemption identical to the amount of the state general aid reduction for pupil participating in the SNSP rather than counting the resident SNSP pupils in their membership counts for revenue limit purposes. This ensures districts are made whole and can levy the full cost of SNSP students (most district revenue limits are below the \$12,000 payment level).

[Sections 101, 102, 103]

Termination from Program:

Specify that DPI may terminate a school's participation in the SNSP and Choice programs if the school (1) intentionally or negligently misrepresents information; (2) fails to provide the required financial information; or (3) fails to conduct background checks as required under the program.

[Sections 14, 64, 67, 68, 96, 99, 100]

Financial Requirements for New Choice Schools

- Allow schools first participating in a choice program to provide, by May 1, a surety bond equal to 25% of the school's estimated annual choice program payments instead of providing a budget. Surety bonds must be maintained until the school submits an audit and evidence of sound fiscal and internal control practices with no indicators of nonfinancial viability.
- Delete the requirement for first time participating schools to submit to department the school's budget on November 1. New schools are still required to submit financial information showing the school is financially viable and all schools would still be required to annually complete a budget and retain it for review by the school's external auditors. The audit report is what DPI uses for annual financial accountability.

[Sections 32, 58, 60, 63, 72, 73, 92, 95]

Annual Financial Requirements:

- Specify that SNSP and Choice schools receiving less than \$100,000 in state voucher payments must submit a modified GAAP audit to the department. This ensures schools' voucher payments are audited but should result in a lower auditing cost for schools receiving less than \$100,000 in voucher funding.
- Provide that if a school does not maintain a cash and investment balance that is at least equal to its reserve balance, the private school shall refund the reserve balance to the department. Under current law, schools must maintain a reserve fund of unexpended but available choice and SNSP funding to use for choice eligible expenses. Current law provides that future state funding can be withheld if a school does not maintain a cash and investment balance that is at least as much as its reserve fund. This bill requires the school to return the reserve balance to the state if this situation were to occur.

[Sections 1, 2, 12, 56, 57, 89, 90]

Allowable Fees:

Allow schools to charge choice students for room and board. Currently, schools are allowed to charge choice students certain fees, mostly for personal use items such as uniforms, meals, and before and after school care. The department is neutral on this provision.

[Sections 46, 79]

WPCP and RPCP Entry Point Requirements:

Modify the student entry point requirements for the WPCP and RPCP to be consistent across programs and allow the following students to be eligible under these requirements:

- Students that participated in the MPCP in the prior year.
- Students that attended a school in another state. This was included in the Governor's budget for WPCP. This bill includes the provision for the RPCP.
- Students on a choice program waiting list.

Under current law, in order to be eligible for the WPCP or RPCP a student must have attended a (1) public school in the prior year; (2) participated in the WPCP or RPCP in the prior year; (3) was not enrolled in school in the prior year; or (4) is entering kindergarten, first or ninth grade. These requirements will continue to apply as well.

[Sections 26, 27, 28, 29, 30, 31]

Hours of Instruction:

Specify that up to 140 hours of work-based instruction (as defined by statute) may be counted as hours of instruction. Under current law, these hours are not counted as instruction for choice schools. This extends public school provisions related to counting hours of work-based learning to choice schools.

[Sections 21, 33, 74]

Assessment Provisions:

Specify that schools with fewer than 20 pupils in the MPCP or in the RPCP and WPCP in tested grades (grades 3 to 12) are not required to administer the state assessments. Current law provides that schools with fewer than 20 pupils in the choice program are not required to administer the state assessments. DPI cannot generate a report card if there are fewer than 20 students in tested grades, so this is a minor technical change.

[Sections 16, 18]

The following administrative changes are included in the bill. A number of these provisions were included in the department's budget request and/or the Governor's budget bill but later pulled as policy. These provisions create efficiencies for schools and the department and address how the applications will be processed for students that move during the year.

- Allow private schools participating in the SNSP to verify IEPs directly with the LEA or independent charter school rather than working through DPI. [Sections 5, 7, 8, 9, 10]
- Allow SNSP reevaluations to be conducted by the district where student attends private school. [Section 6]
- Allow parents to check income eligibility directly with DOR as part of the application process rather than having to go into the school. [Sections 24, 70]
- Require first time participating schools to provide certain policies and information prior to participation and continuing schools to provide it upon request. Under current law, all schools must provide this information annually. [Sections 34, 49, 50, 51, 52, 53, 54, 66, 75, 82, 83, 84, 85, 86, 87, 98]
- Delete the requirement to annually submit a report showing the school met attendance, advancement, or parental involvement criteria. Report cards now provide annual accountability data for choice schools. [Sections 35, 55, 65, 76, 88, 97]
- Change the due date for the summer school report from October 1 to September 15 to provide the department with time to process the reports and make timely payments. [Sections 47, 80]

- Modify the due date for annual submission of proof of accreditation from January 15 to August 1. This change aligns the due date for this information across all programs and ensures the documentation is received prior to the start of school. [Sections 61, 93]
- Clarify that an SNSP private school must administer the state assessments to SNSP pupils upon request by the parent if the school administers the assessment to other students. [Sections 11 and 13]
- Clarify that schools must notify parents if their application was accepted or not within 60 days after the end of the application period rather than within 60 day of receipt of the application. This will assist schools in processing applications. [Sections 36, 77]
- Clarify a student on the WPCP waiting list does not have to provide income in the following year similar to the MPCP and RPCP. Income was verified when the student entered the waiting list. [Section 45]
- Provide that all continuing choice students that attended the same private school under any choice program in prior year may receive preference in the random draw. Under current law, the students would only receive preference if they applied to the same choice program at the school. This is because some schools participate in WPCP and either RPCP or MPCP. [Sections 37, 78]
- Provide that if an eligible WPCP student moves after the application period and requests to transfer his or her application before the 3rd Friday in August to another participating WPCP school, the department may transfer the application if there is space at the school and the student participation limit is not exceeded. [Section 44]
- Provide that the department may transfer an accepted application from the WPCP to the RPCP or MPCP program at the same school if the student moves to Racine or Milwaukee and the school participates in the applicable program. [Sections 48, 81]
- Specify an applicant does not have to provide income documentation if they participated in MPCP or RPCP in prior year and are applying to MPCP or RPCP. The income requirements are the same for both programs. [Sections 23, 25, 71]

The following items are technical changes to the statutory language:

- Update references to Wisconsin North Central Association with AdvancED due to a name change. [Sections 4, 22, 69]
- Clarify the DPI random selection provisions for WPCP only apply while the percent limit is in effect. Once the limit is removed, the schools will administer their own random selection. [Sections 38, 39, 40, 41, 42, 43]
- Remove outdated references. [Sections 59]
- Update cross references to new assessment law under ESSA [Sections 3, 15, 17, 19, 20]

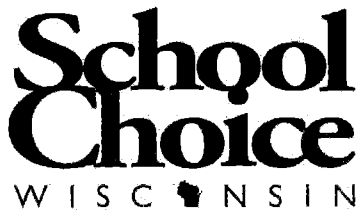
Effective Dates and Initial Applicability:

- Audit requirements first take effect for the 2017-18 school year.

- New school financial requirements take effect starting with the 2018-19 school year.
- Entry requirements and random selection changes take place starting with the 2018-19 school year.

[Sections 104, 105]

Thank you again for the opportunity to testify. We would be happy to answer any questions you may have.



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Date: June 13, 2017
To: Assembly Committee on Education
From: Jim Bender, President, School Choice Wisconsin
RE: Testimony on Assembly Bill 383

Chairman Thiesfeldt and committee members, thank you for taking testimony on Assembly Bill 383. Since 2011, there have been many changes and expansions of the Parental Choice Programs in Wisconsin.

We currently have four separate programs with a wide array of differing program rules. This complexity leads to high levels of administrative pressure for both the Department and private schools that participate in the programs.

This bill is an effort to rectify a few of the provisions that have shown to be problematic. In addition, there are several items that were originally in Governor Walker's proposed budget, but were removed by the Joint Committee on Finance as non-fiscal policy.

All the items contained in this legislation have been reviewed by the Department and School Choice Wisconsin. While policy differences will occur, this legislation focuses on the mechanics of the programs and finding solutions that reduce the overall administrative burden.

We support the legislation before you and would gladly answer any questions you may have.

Thank you for considering this legislation.

**South Wisconsin District
The Lutheran Church–Missouri Synod**



To: Assembly Education Committee members

From: Dr. Christopher Cody, Education Executive, South Wisconsin District-LCMS

Date: June 13, 2017

Re: Assembly Bill 383 - Parental choice program changes

Thank you for holding this hearing and allowing input on this important bill to simplify and synchronize the state's parental choice programs.

The Lutheran Church - Missouri Synod has 93 schools with an overall enrollment of nearly 12,500 students across Southern Wisconsin, from Manitowoc on the Northeast to La Crosse on the Northwest and all the way south to the state line.

Our students reflect the full diversity of the state. Our schools are racially and economically mixed with a sizable percentage of students qualifying for free and reduced lunch. Despite the challenges they face, the vast majority of our students perform higher than their local public school counterparts.

We support AB 383 for a variety of reasons. All schools, public and private, voucher and non-voucher, seek to do what is in the best interest of students. The proposed changes in AB 383 appear to have been made with the best interest of the students in mind. Additionally, it should be noted that our schools support accountability so long as it is necessary and aimed at maintaining the integrity of the Parental Choice programs.

Included in AB 383 are changes that strengthen this accountability while eliminating unnecessary and burdensome regulations. These beneficial changes include modifying the date in which a school must provide proof of accreditation and eliminating the necessity of a school to show compliance with one of four standards related to attendance, academic growth, or parent involvement – all of which are part of the current State report card.

When the unnecessary, burdensome, and redundant regulations are eliminated, it creates time for administration to focus on students and families. Many of our schools have had to hire support staff to handle the increasing regulatory requirements of the Parental Choice programs. In our smaller schools, though, many of our principals are also in the classroom, and these requirements are also added to an already overwhelming list of duties. The efforts set forth here in AB 383 will maintain the integrity of the Parental Choice programs and increase access to students and families who desire to enroll in one of our participating Parental Choice program schools.

We urge you to pass AB 383.



WISCONSIN CATHOLIC CONFERENCE

TESTIMONY ON ASSEMBLY BILL 383: CHANGES TO PARENTAL CHOICE PROGRAMS

Presented to the Assembly Committee on Education

By Kim Wadas, Executive Director

June 13, 2017

On behalf of the Wisconsin Catholic Conference (WCC), I thank you for the opportunity to provide testimony in support of Assembly Bill 383 and to highlight one area of concern regarding its implementation.

The WCC, along with many of our private school partners, has consistently supported efforts to improve accountability and transparency within the parental choice programs. Catholic educators recognize that students, families, and communities need access to information on school and student performance. Catholic schools have willingly complied with measures to promote greater program accountability – from ensuring school fiscal viability and sound financial reporting to enhanced accreditation and educator credentialing; and from improved auditing of program compliance to heightened enforcement and penalty provisions for errant schools and officials. As Catholics, we fully support efforts to promote good stewardship of our public resources.

First, we wish to express our gratitude for many of the provisions of Assembly Bill 383. Eliminating arcane requirements, such as one of four old participation standards, and duplicate reporting standards, such as securing a satisfactory independent audit and separately demonstrating fiscal viability, allow school leaders and staff to better dedicate time and resources to serving students. Several changes, such as allowing evaluations by a nonresident school district of a special needs child who attends a private school within the district under the Special Needs Scholarship program, are common sense reforms that acknowledge the practical ways in which the needs of students and families are best met.

Under AB 383, students who have relocated and are no longer eligible to participate in the Milwaukee Parental Choice Program can continue their education in a similar educational environment through enrollment in the Wisconsin Parental Choice Program. Students who were placed on a wait list to access a Choice program participating school can retain hope of entering the program the following year. The bill also ensures that schools which require real-life work experience as part of the curriculum are not precluded from participating in the program due to the instruction hour requirement.

Most importantly, AB 383 recognizes that a one-size-fits-all approach is not always wise or useful. If our goal is to allow families, especially low-income families, to have an array of quality educational opportunities, then the programs must attract quality schools, including small schools or schools that can only accommodate a limited number of Choice program students. By altering certain assessment requirements for schools and establishing a streamlined audit process

for schools accepting \$100,000 or less in state funds, AB 383 truly acknowledges the diversity of our schools, while at the same time retaining necessary accountability.

We do have one concern regarding AB 383. Beginning in the 2018-19 school year, each Choice participating school must conduct criminal background investigations of its employees and exclude from employment any person who would not be permitted to hold a teaching license as the result of a felony offense. Currently, our Catholic schools already submit all employees to a criminal background check. We have no objection to this requirement. All of our schools also employ licensed teachers.

However, under this requirement any private school employee, regardless of part-time, full-time, or seasonal status, would be barred from employment if he or she could not obtain a teacher's license. Licensure is prohibited if a person has been convicted of an offense specified in Wisconsin Statutes s. 118.19(4) within the past 6 years. This encompasses any Class A through H felony convictions, regardless of whether those crimes were related to children or violent acts. Currently, we do not hire individuals who pose a threat to the safety of students or others. However, a Class H felony can include offenses such as theft of a domestic animal or operating a vehicle without the owner's consent. From a social justice perspective, the WCC does not support provisions that institute a general bar against the employment of former offenders. We have provided testimony to this effect on other legislation regarding the employment of felons.

Furthermore, it does not appear that a similar provision in law applies to all public school employees. The felony hiring restriction only applies to teacher licensure in the public school context. We ask that in implementing this legislation there be uniformity in hiring prohibitions for both public and Choice participating schools. The WCC has already discussed this with the Department of Public Instruction and we have expressed our willingness to develop uniform standards.

Again, Catholic educators are not opposed to accountability. That is why the WCC continues to support this legislation and welcomes a consistent and transparent system that maintains accountability without altering the unique character and climate of our Catholic schools and social teaching. Thank you.



Scholarships, Opportunities & Access in Racine

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MISSION

SOAR is a charitable, nonprofit organization committed to eliminating the academic achievement gap among children from families with limited financial resources. SOAR works with families, private schools and regional partners to lead students to high school graduation and to higher education or to sustainable careers.

To: Assembly Education Committee Members
From: Laura Sumner Coon, Executive Director, SOAR of Racine Inc.
Date: June 13, 2017

Re: Assembly Bill 383 - Parental Choice Program Changes

Dear Legislators:

Thank you for your time listening to students, parents, educators and those of us who work with them all to increase opportunities for Wisconsin's children. Your expansion of the state's Parental Choice Programs and Special Needs Scholarship Program has answered the hopes of many, and your consideration of AB 383 is welcomed and needed.

As the Executive Director of SOAR of Racine, I have spent the last six years assisting seven schools that participate in the Racine and Wisconsin Parental School Choice Programs and one school that is participating in this initial year of the Special Needs Scholarship. I have helped them implement the programs in their schools and have met with hundreds of parents who have applied.

Let me tell you about the parents. The majority are struggling to make ends meet. Low wages in the service industries, rising health care costs, the disappearance of family-supportive paying positions for people who didn't have opportunity themselves to seek higher education makes it unfathomable for them to consider placing their student in a private school of their choice without some kind of financial help. They are waitresses, line cooks, factory workers, office managers and service industry workers. They come from diverse backgrounds that traditionally have not had enough money to attend these private schools. Many have children with special needs, but for a variety of reasons, wish their children to be served in a smaller setting, where they perceive their children will receive a caring, quality education in a safe environment. Their persistence in applying for a voucher has astounded me.

One February, during a horrific snow storm, the door to our office nudged open and a father who pushed his wife through the snow and up the stairs in her wheelchair simply smiled when they reached the desk to apply. Another mother was homeless, living in a small hotel temporarily. Health problems stripped her of her ability to work, and she was in a desperate place between work and disability income for herself and her daughter. Her church paid for her temporary housing so that she would have a place to live, and she wanted

nothing more than a chance for her daughter to attend a school she determined would be a good fit. Sixty percent of the families SOAR assists are Hispanic. These parents know what will boost their children's possibilities for a better life, and they have applied, convinced the Choice programs will place their children on that path. I've had more than one parent apply through tears of gratitude.

Don't be fooled. These are not "wealthy parents," as critics will tell you. They are hard-working, struggling moms and dads who need this kind of subsidy to offer their children what every child deserves – a quality education that their parents want for them. I'm certain parents like the ones I have met don't only live in Racine. They live all around this state. Take a look at the poverty map of Wisconsin that the DPI has on its website, and this will tell you that expanding the Choice income threshold to 300 percent of the poverty level for applicants to the statewide plan is an obvious good decision.

The Special Needs Scholarship has brought speech therapy, occupational therapy, one-on-one assistants and other much-needed services to participating schools, like the one I work with in the Racine area. Often, a disability is not detected until a child has been in school for some time, and then a teacher or administrator realizes there is a need that is going unmet. When the SNSP program was initiated last year, a significant number of Choice students attending this Racine-area school had special needs, many of them speech disabilities that were not getting served by the local public school district. Through the SNSP program, not only are these students now getting speech, they are improving, as are their academic skills. The school has older, middle school students who have learning disabilities and need the assistance of academic aides. In those adolescent years, it is detrimental to pull students out of class and single them out. Rather, through the SNSP scholarships, the school now has the ability to place classroom aides in grades where students have special needs and everyone benefits.

The development of the SNSP program has been a significant help to students with disabilities. But the law has some flaws. This year, all SNSP students must come from a public school. That means a student, who perhaps is attending a private school through a Choice program or through tuition and has recently been diagnosed with a disability through an evaluation, is unable to apply for the scholarship as an existing student. Likewise, the law as written prevents any student with a disability and IEP or Service Plan from starting their education in a participating private school. They cannot enter a private school in a four-year-old kindergarten or a five-year-old kindergarten as a first-time SNSP student, even though their siblings may attend that school or their parents wish them to be there.

And then, there is the timing issue. There are two families with children who have Down Syndrome whose parents wished them to attend a private school participating in the SNSP program. After the initial diagnosis, there was little reason for these parents to have the local school district evaluate their children to determine they had disabilities. But in order to apply for an SNSP scholarship, they asked for an evaluation last spring, when the SNSP program was announced. Both of the families already had made the decision to place their children in the private school. So, this past academic year was the only year in which they would be eligible. But the IEPs for them both were not activated until after July 1, the start of a new school year, so they were ineligible. They have stayed at the school, despite it all. This is where they wish to be.

I cannot think of any more deserving children to have an SNSP scholarship. But the law, as written, prevents it.

You have created an incredible array of educational opportunities for this state's students. I have watched Choice students grow, graduate and move on to new possibilities they never dreamed. One young man, a graduate of the first high school in Racine to participate in the Choice program in Racine, has just completed his sophomore year at the Milwaukee School of Engineering and has maintained a high grade-point average. Many of the Choice students I have worked with are first-time high school graduates and have become first-time college students. This, I'm certain, was possible because of the opportunity you offered them through Choice.

More student success stories like this will be possible if you approve AB 383. Please take that step, but don't stop there. With a few alterations, you will be deepening the educational experiences for thousands of students for years to come.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, reading "Laura Sumner Coon". The signature is written in dark ink and is positioned below the word "Sincerely,".

Laura Sumner Coon
Executive Director