

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.