

PUBLIC INSTRUCTION -- CHOICE, CHARTER, AND OPEN ENROLLMENT

Changes to Milwaukee Parental Choice Program and Creation of Racine Parental Choice Program
[LFB Papers #550, 551, and 552]

Motion:

Move to adopt the following provisions:

Milwaukee Parental Choice Program

Payment and Reestimate (Paper #550). Adopt the Governor's recommendation to set the maximum per pupil choice payment at \$6,442 for the 2011-12 and 2012-13 school years and resume the indexing of the payment to the change in the general school aids appropriation, if positive, beginning in 2013-14.

Family Income Limit (Paper #551). Delete bill provision. Specify that a pupil would be eligible to participate in the choice program if their family income does not exceed 300% of the federal poverty level. Specify that family income would include the income of the pupil's parents or legal guardian. Provide that family income for a married couple would be reduced by \$7,000 before applying the income eligibility tests.

To determine income eligibility for the choice program, require a choice school to submit names, addresses, social security numbers and tax identification numbers obtained through the application process to the Department of Revenue. Specify that DOR may only determine whether a pupil is or is not eligible for the program, and that DPI would not be able to require additional income verification beyond the DOR determination. Specify that DPI establish a procedure for determining income eligibility for those pupils that do not provide a social security number or tax identification number.

Specify that once a pupil is determined to be eligible to participate in the choice program, he or she remains eligible to participate in the program in future years.

Prohibit a choice school from charging or receiving any payment other than the state choice payment if the pupil is in grades K-8 or if the pupil is in grades 9-12 and has a family income that does not exceed 220% of the federal poverty level. Allow a choice school to charge a pupil tuition and fees in an amount determined by the school (in addition to the state choice payment) if the pupil is in grades 9-12 and has a family income greater than 220% of the federal poverty level.

Specify that a choice school is responsible for determining family income for the purposes of

determining whether tuition may be charged. Require each choice school to establish an appeals process to the governing body of the school relating to determination of family income.

Pupil Participation Limit (Paper #551). Approve the Governor's recommendation to delete the limit on the number of pupils that may participate in the choice program.

School Eligibility (Paper #551). Delete bill provision. Specify that there would be no geographic requirement for schools participating in the choice program, beginning in the 2011-12 school year. (The current law requirement that pupils reside in the City would still apply.) Specify that a school outside the City that intends to participate in the 2011-12 school year would be required to notify DPI of its intent to participate and pay the auditor fee by August 1, 2011, and that the State Superintendent could issue an order barring a school from participating in the program in the current school year if it fails to do so. Require the notice would be required to specify the number of choice pupils for which the school has space. Modify the statutory references to the certificate of occupancy that schools must submit to DPI to require that the certificate be from the municipality in which the school is located.

Combined Fiscal Effect (Paper #551). Approve the Governor's recommendation to provide \$6,442,000 in 2011-12 and \$12,884,000 in 2012-13 in the choice program appropriation as a result of changes to pupil and school eligibility. The MPS choice reduction would increase by \$2,473,700 in 2011-12 and \$4,947,500 in 2012-13. The net general fund fiscal effect would be increased expenditures of \$3,968,300 in 2011-12 and \$7,936,500 in 2012-13.

Required Tests (Paper #552). Delete bill provision. Require that DPI calculate the percentage of choice students at each proficiency level using the number of students that actually completed the WKCE at each grade level in the school rather than the total number of students enrolled at each grade level.

Going Concerns Determination. Delete the bill provision that would place in statute the language currently in DPI administrative rule regarding the evidence that may indicate that a choice school does not utilize sound fiscal practices, is not financially viable, or does not have the financial ability to continue educational programming operations.

Notice of Administrative Changes. Modify the bill provision requiring notice of administrative changes to specify that parents and guardians of choice pupils do not need to be provided these notices

Requirements of Accrediting Agencies. Delete the current law provisions under which a choice school must ensure that an accrediting agency reviews and reports to DPI on the school's compliance with the requirements to: (a) issue high school diplomas to choice pupils who complete the necessary requirements; and (b) maintain progress records for each choice pupil while the pupil attends the school and for at least five years after the pupil ceases to attend the school.

Preaccreditation Agencies for Choice Schools. Move to allow a new choice school to obtain

preaccreditation from any of the statutorily-recognized accrediting agencies as well as from the Institute for the Transformation of Learning (ITL) at Marquette University.

Program Payments and Audits. Modify the bill to include the provisions of Assembly Bill 94, as amended by Assembly Amendment 1.

Racine Parental Choice Program

Create a Racine parental choice program. With the following exceptions, all the provisions of the Milwaukee program (as modified under this motion) would apply to the Racine program.

Specify that income eligibility would be 300% of the federal poverty level. Specify that priority would be given to students eligible for free or reduced price lunch in the 2010-11 school year attending a school in the program in 2011-12 if random selection is required.

Specify that no more than 250 full-time equivalent pupils in the 2011-12 school year and 500 full-time equivalent pupils in the 2012-13 school year may participate in the program. Specify that there would be no limit on pupil participation beginning in the 2013-14 school year. Specify that the current law statutory language governing the pupil participation limit for the Milwaukee program regarding what the State Superintendent must do when he or she determines that the limit has been reached and when the number of choice pupils has fallen below the limit, and the priority order in which pupils must be accepted when schools have been notified that they may begin accepting additional pupils, would apply to the Racine program for 2011-12 and 2012-13.

Specify that a pupil must live in the Racine Unified School District (RUSD) to be eligible for the program. Specify that a pupil would be eligible to participate if he or she was: (a) enrolled in RUSD in the prior year; (b) not enrolled in school in the prior year; (c) was enrolled in the Racine program in the prior year; or (d) is enrolling in kindergarten, first grade, or ninth grade in a school participating in the program in the current year.

Create a sum sufficient appropriation from the general fund to make the payments to private schools under the Racine program. Based on the \$6,442 maximum per pupil payment and the participation limits under the motion, provide \$1,610,500 in 2011-12 and \$3,221,000 in 2012-13 in the Racine program appropriation. Under the net 38.4% aid lapse, the resulting RUSD general aid reduction would be \$618,400 in 2011-12 and \$1,236,900 in 2012-13. The net general fund fiscal effect would be \$992,100 in 2011-12 and \$1,984,100 in 2012-13.

Specify that the State Superintendent shall extend any required deadlines for entry in the Racine Program in 2011-12 by 31 days.

Note:

Beginning in the 2012-13 school year, AB 94, as amended by AA1, would: (a) specify that if more than one pupil from the same family applies to attend the same choice school, the pupils may

use a single application; (b) require DPI to directly pay each choice school in which a pupil is enrolled on behalf of the pupil's parent or guardian and allow each installment to consist of a single check for all choice pupils; (c) calculate a choice school's summer school payment by determining the school's operating and debt service cost per pupil in summer school related to educational programming, multiplying that amount by 40%; and multiplying that amount by the summer choice FTE; (d) require DPI to make the summer school payment to a school as a separate check with the November quarterly installment; (e) place in statute the five offsetting revenue categories currently in DPI rule for determining a school's educational programming cost and specify that only those categories could be subtracted, up to the actual cost of the service or material related to each item; (f) require DPI, under certain circumstances, to include an amount equal to 10.5% of the fair market value of the school and its premises in determining operating and debt service cost per pupil; (g) generally required auditors to conduct audits in accordance with the standards established by the American Institute of Certified Public Accountants; and (h) require a choice school to submit evidence of internal control practices.

[Change to Bill: \$4,831,500 GPR, \$1,855,300 RUSD Aid Reduction, \$2,976,200 Net GPR]