

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) PI 49, Special Needs Scholarship Program	
4. Subject Changes to rules governing the Special Needs Scholarship Program as a result of 2017 Wisconsin Acts 36 and 59 and other changes	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137 (3) (b) 1., Stats. \$0	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137 (3) (b) 2., Stats.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule This rule amends Chapter PI 49 of the Wisconsin Administrative Code in order to conform Department rules governing the special needs scholarship program to changes in statute as a result of 2017 Wisconsin Acts 36 and 59. The proposed rule will also make other various changes to conform the rule to best practices and efficiencies in program administration. Key aspects of the rule include the following: <ul style="list-style-type: none"><li>• Specify the requirements for the modified financial audit and the standard financial audit.</li><li>• Clarify the individuals for which schools must complete background checks.</li><li>• Modify certain due dates so the dates will not be on a weekend.</li><li>• Modify the accreditation requirements to allow accrediting organizations to provide a notice rather than a letter of the accreditation status of schools.</li><li>• Specify that the budget required must include the anticipated beginning and ending reserve balance.</li><li>• Specify that schools may change the number of available scholarships in certain circumstances.</li><li>• Specify what is required for an Individualized Education Program (IEP) or services plan to be in effect.</li><li>• Specify when the school must send the following emails:<ul style="list-style-type: none"><li>o The email to the local education agency that developed the IEP or services plan verifying that the student had an IEP or services plan that was in effect; and</li><li>o If the resident school district did not develop the IEP or services plan, to the pupil's resident school district notifying them that the pupil will receive a scholarship if the verification above determines the pupil is eligible for the program.</li></ul></li><li>• Remove the pupil eligibility requirements related to open enrollment denials since the requirement for an open enrollment denial was removed from statute.</li><li>• Clarify the pupil eligibility requirements for transfer pupils and how transfer requests may be corrected if errors</li></ul>	

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are identified by the auditor.

- Clarify that if a pupil who no longer has a disability attends a different school, the pupil is not eligible for a special needs scholarship program scholarship.
- Modify the dates by which applications and transfer requests must be submitted to the department.
- Specify that the school must identify pupils no longer eligible for a scholarship in the preliminary enrollment report and pupil count reports.
- Remove the requirement to use original classroom records when completing the enrollment audit.
- Specify the requirements for a school to receive a special needs scholarship program summer school payment and the audit requirements of the summer school report.
- Specify that a pupil may attend a different school for summer school and still be eligible for a special needs scholarship program scholarship.
- Clarify the requirements for including fixed assets in the financial audit.
- Specify what is considered a management letter.
- Clarify what expenses are primarily related to special needs scholarship program pupils and how they impact the general expenses requirements.
- Clarify the school's responsibility for the financial requirements.
- Specify that the identification of special needs scholarship program pupils may be in a different report than the official attendance records, if the official attendance records are from the student information system.

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12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments

The Department engaged and reached out to several stakeholders in the school choice community during the development of this rule, including School Choice Wisconsin, the Wisconsin Catholic Conference, and the Wisconsin Council of Religious and Independent Schools. Additionally, the Department also reached out to public school stakeholders which include the Wisconsin Association of School Boards and Wisconsin School Administrators Alliance.

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13. Identify the Local Governmental Units that Participated in the Development of this EIA

None.

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14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Local:

2015 Wisconsin Act 55 created the Special Needs Scholarship Program under s. 115.7915, Stats., which was later modified by 2017 Wisconsin Acts 36 and 59. The Special Needs Scholarship Program affects local education agencies and private schools. There is no economic impact on local education agencies or private schools with respect to the rule because the rule implements statutory changes and is intended to clarify wording and improve procedures for schools and the Department.

State:

No fiscal effect.

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15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Modifications to the rule will align the rule chapter to statutory changes as a result of 2017 Wisconsin Acts 36 and 59, as well as better assist schools and the Department in the administration of the program based on feedback from participating schools and items identified since implementation of the program. Without a rule change, statute and

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rule will not be consistent and the Department may be prevented from efficiently administering the program.

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16. Long-Range Implications of Implementing the Rule

The proposed rule will better assist schools and the Department in the administration of the program based on feedback from participating schools and school districts and conforms the rule to best practices and efficiencies identified since implementation of the program. In addition, rule and agency practice will be consistent with the statutes as modified by 2017 Wisconsin Acts 36 and 59.

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17. Compare With Approaches Being Used by Federal Government

N/A

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18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

N/A

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19. Contact Name

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20. Contact Phone Number

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