

## Chapter PI 49

### SPECIAL NEEDS SCHOLARSHIP PROGRAM

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**Note:** Chapter PI 49 was created by emergency rule, EmR1619, effective 6-2-16.

**PI 49.01 Purpose.** Any qualified pupil in grades kindergarten to 12 who meets the requirements under s. 115.7915, Stats., may attend any school participating in the special needs scholarship program under s. 115.7915, Stats. This chapter establishes eligibility and participation requirements for schools participating in the special needs scholarship program under s. 115.7915, Stats., the calculation and distribution of scholarships under s. 115.7915 c4md and c4pd, Stats., and the application and approval procedures for pupils and eligible schools under s. 115.7915, Stats.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; EmR1815: emerg. am., eff. 7-1-18; EmR1911: emerg. am., eff. 7-1-19; CR 19-095: am. Register March 2020 No. 771, eff. 4-1-20.

**PI 49.02 Definitions.** In this chapter:

**c1d** X4-year-old kindergarten outreach activitiesY means the direct services that a school provides to 4-year-old kindergarten parents and primary caregivers that have an educational component that fulfills the requirements of s. 121.004 c7d ccmd, Stats.

**c2d** XApplicantY means a child[s parent who is acting on behalf of the child, or, for a child with a disability who has reached the age of 18 and has not been adjudicated incompetent, the child.

**c3md** XClassroom recordsY means teacher-originated test scores, report cards, progress reports, and attendance records.

**c4d** XCount dateY means the third Friday in September and the second Friday in January except as provided under s. 121.05 c3md, Stats.

**c5d** XDepartmentY means the Wisconsin department of public instruction.

**c5md** XDesigneeY means an individual who is designated to assist in processing pupil applications and transfer requests by the special needs scholarship program administrator on a form provided by the department.

**c6d** XEligible education expensesY means all direct and indirect costs associated with a private school[s educational programming for pupils enrolled in grades kindergarten to 12.

**c7d** XFinancial auditY means the modified financial audit or standard financial audit, and includes the audit opinion and supplemental schedule, required under s. PI 49.09.

**c8d** XFull scholarship pupilY means a pupil who was determined to meet the application requirements of s. 115.7915 c2d, Stats., and this chapter, and is eligible for a payment under s. 115.7915 c4md cad, Stats.

**c9d** XGenerally accepted auditing standardsY means the auditing standards prescribed by the accounting examining board under s. Accy 1.202.

**c9md** XLocal education agencyY means a school district or the operator of a charter school under s. 118.40 c2rd or c2xd, Stats.

**c9sd** XModified financial auditY means the audit required under s. 115.7915 c6d ced, Stats., for a school that received less than \$100,000 under ss. 115.7915, 118.60, and 119.23, Stats., in any school year.

**c10d** XOfficial attendance recordsY means a listing of all kindergarten through grade 12 pupils enrolled in the school by grade level.

**c11d** XParentY has the meaning given in s. 115.76 c12d, Stats.

**c12d** XPartial scholarship pupilY means a pupil who was determined to meet the application requirements of s. 115.7915 c2d, Stats., and this chapter, and is eligible for a payment under s. 115.7915 c4md ced, Stats.

**c12md** XPrimarily special needs scholarship program expensesY means eligible education expenses that are at least 50 percent related to special needs scholarship program pupils.

**c13d** XProfessional standardsY means all of the following:

cad Standards established by the accounting examining board under ch. 442, Stats.

cbd Standards issued by the comptroller general of the United States for engagements in which the use of generally accepted governmental auditing standards is required.

ccd Standards issued by the American Institute of Certified Public Accountants.

**c14d** XReserveY means the difference between the revenue received under s. 115.7915, Stats., and the amount of net eligible education expenses for special needs scholarship program pupils.

**c15d** XScholarshipY means a payment under s. 115.7915 c4md or c4pd, Stats.

**c16d** XSchool termY has the meaning given in s. 115.001 c12d, Stats.

**c17d** XSchool yearY has the meaning given in s. 115.001 c13d, Stats.

**c18d** XSpecial needs scholarship program administratorY means the person who has the authority to do all of the following:

cad Process pupil applications and transfer requests.

cbd File reports and forms required under this chapter and s. 115.7915, Stats.

**c19d** XSpecial needs scholarship programY means the program established under s. 115.7915, Stats.

**c19md** XStandard financial auditY means the audit required under s. 115.7915 c6d ced, Stats., for a school that annually re-

ceived a total of at least \$100,000 under ss. 115.7915, 118.60, and 119.23, Stats., in any school year.

**c20d** XState superintendentY means the state superintendent of public instruction.

**c21d** XWorking papersY means the record of audit procedures performed by the auditor, the relevant audit evidence obtained by the auditor, and the conclusions reached by the auditor.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; EmR1630: emerg. cr. c5md, c9md, am. c18d, eff. 11-1-16; CR 16-066: cr. c5md, c9md, am. c18d Register April 2017 No. 736, eff. 5-1-17; EmR1815: emerg. r. c3d, am. c5md, c7d, c15d, cr. c19md, eff. 7-1-18; EmR1911: emerg. r. c3d, cr. c3md, am. c5md, c7d, cr. c9sd, c12md, am. c15d, renum. c18d to c18d cintro.d and am., cr. c19md, eff. 7-1-19; CR 19-095: r. c3d, cr. c3md, am. c5md, c7d, cr. c9sd, c12md, am. c15d, renum. c18d to c18d cintro.d and am., cr. c19md Register March 2020 No. 771, eff. 4-1-20; correction in c12md made under s. 35.17, Stats., Register March 2020 No. 771.

### PI 49.03 School requirements. c1d PRIVATE SCHOOL.

A school participating in the special needs scholarship program shall be a private school as defined in s. 115.001 c3rd, Stats.

**c2d** SPECIAL NEEDS SCHOLARSHIP PROGRAM ADMINISTRATOR. The special needs scholarship program administrator shall be one of the following:

cad An owner of the school.

cbd An individual appointed as the school[s] special needs scholarship program administrator by the governing body of the organization operating the school.

**c3d** NOTICE OF INTENT TO PARTICIPATE. Annually by the first weekday in March, a school that intends to participate in the special needs scholarship program in the following school year shall file a notice of intent to participate with the department. The notice shall include all of the following:

cad The number of scholarships the school has available for new pupils applying to the special needs scholarship program under s. PI 49.05 c3d or transferring to the school under s. PI 49.05 c5d.

cbd The number of full scholarship pupils and partial scholarship pupils that will continue to participate in the special needs scholarship program based on the following:

1. The school shall include all special needs scholarship program pupils on the second Friday in January count report filed under s. PI 49.06 c5d, unless the school has received written correspondence from the parent withdrawing the pupil from the special needs scholarship program.

2. The school shall include any other special needs scholarship pupils accepted at the school after the second Friday in January, unless the school has received written correspondence from the parent withdrawing the pupil from the special needs scholarship program.

3. The school may only identify a pupil as a partial scholarship pupil if the pupil[s] individualized education program team has determined that the pupil is no longer a child with a disability as specified under s. 115.7915 c4md ced 1., Stats., prior to the date the school files its notice of intent to participate with the department.

cbmd The expected number of special needs scholarship program pupils that will participate in summer school under s. PI 49.16.

ccd The school[s] special education program profile required under s. 115.7915 c6d cgd, Stats.

cdd The signature of the head of the governing board, or if designated by the head of the governing board, the special needs scholarship program administrator.

ced The name of the special needs scholarship program administrator.

**Note:** The notice of intent to participate and special education program profile

may be obtained at no charge from the Wisconsin department of public instruction[s] webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**c4d** BACKGROUND CHECKS. cad In this subsection, XlicenseY means a valid license issued by the department under ch. PI 34.

cbd Schools shall conduct criminal background investigations of all employees by completing one of the following:

1. Conduct a criminal background check prior to employing any individual at the school and every 5 years after the date of the previous background check.

2. Complete all of the following procedures for an individual with a license:

a. Obtain and retain a copy of the license.

b. Annually determine that the individual has a license in advance of the employee working for the school term.

ccd The requirements under par. cbd shall be completed for all individuals defined as employees under s. 108.02 c12d, Stats., who are directly or indirectly related to educational programming. For the purposes of this paragraph, an individual shall be determined to be directly or indirectly related to educational programming if any of the following apply:

1. Any compensation for the individual is included as an eligible education expense in a financial audit submitted under s. 115.7915, 118.60, or 119.23, Stats.

2. The individual interacts with pupils.

3. The individual performs financial, administrative, or academic duties for the school.

cdd A school may not employ any of the following individuals:

1. Individuals who have engaged in immoral conduct as defined under s. 115.31 c1d ccd, Stats.

2. Individuals who are not eligible for a teaching license under s. 118.19 c4d, Stats.

**c5d** CERTIFICATE OF OCCUPANCY. cad By the first weekday in May prior to the first year a school participates in the special needs scholarship program, the school shall file one of the following documents with the department for all locations of the school:

1. A certificate of occupancy issued by the municipality within which the school is located.

2. If the municipality within which the building is located does not issue certificates of occupancy, a certificate of occupancy issued by the local or regional governmental unit with authority to issue certificates of occupancy.

3. A letter or form from the municipality within which the building is located that explains that the municipality does not issue certificates of occupancy.

cbd If a school moves to a new location or adds a new location, the school shall file one of the following with the department before pupils attend the new location:

1. A certificate of occupancy issued by the municipality within which the building is located.

2. If the municipality within which the building is located does not issue certificates of occupancy, a certificate of occupancy issued by the local or regional governmental unit with authority to issue certificates of occupancy.

3. A letter or form from the municipality within which the building is located that explains that the municipality does not issue certificates of occupancy.

ccd A temporary certificate of occupancy does not meet the requirements of this subsection.

**c6d** ACCREDITATION REQUIREMENTS. A school participat-

ing in the special needs scholarship program shall be accredited by an accrediting agency under s. 115.7915 c2d ccd, Stats., for all of the grades the school makes available to special needs scholarship program pupils. Annually by August 1, a school participating in the special needs scholarship program shall file with the department a notice from the school[s accrediting agency under s. 115.7915 c2d ccd, Stats., stating that the school is accredited as of the date of the notice. The notice shall meet all of the following requirements:

cad The notice shall include the following information:

1. The school[s name.
2. The school[s address for each location included in the accreditation.
3. The grades accredited by the agency.
4. Notification that the school is accredited at the time the notice is filed.

cbd The notice shall be filed no earlier than the beginning of the school year.

ccd The notice shall be completed by an authorized member of the accrediting agency.

**c7d STATE SUPERINTENDENT APPROVAL.** Annually by the first weekday in March preceding the school year of participation, a school seeking approval as a private school by the state superintendent under s. 115.7915 c2d ccd, Stats., shall file with the department a special needs scholarship program private school requirements form demonstrating the school meets all of the requirements under s. 118.165 c1d, Stats.

**Note:** The special needs scholarship program private school requirements form may be obtained at no charge from the Wisconsin department of public instruction[s webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; EmR1630: emerg. cr. c3d ced, r. c5d cdd, am. c6d cintro.d, cad 3., cr. c7d, eff. 11-1-16; CR 16-066: cr. c3d ced, r. c5d cdd, am. c6d cintro.d, cad 3., cr. c7d Register April 2017 No. 736, eff. 5-1-17; EmR1815: emerg. cr. c3d cbmd, r. and recr. c4d, am. c5d cad cintro.d, c6d cintro.d, cad cintro.d, 4., cbd, ccd, eff. 7-1-18; EmR1911: emerg. am. c3d cintro.d, cbd 1., 3., cr. c3d cbmd, am. c3d cdd, r. and recr. c4d, am. c5d cad cintro.d, cbd cintro.d, c6d cintro.d, cad cintro.d, 4., cbd, ccd, c7d, eff. 7-1-19; CR 19-095: am. c3d cintro.d, cad, cbd 1., 3., cr. c3d cbmd, am. c3d cdd, r. and recr. c4d, am. c5d cad cintro.d, cbd cintro.d, c6d cintro.d, cad cintro.d, 4., cbd, ccd, c7d Register March 2020 No. 771, eff. 4-1-20; correction in c4d ccd 1. made under s. 35.17, Stats., Register March 2020 No. 771.

#### PI 49.04 Financial information and surety bond.

**c1d DEFINITIONS.** In this section:

cad XInitial expected paymentY means a school[s expected scholarship payment amount based on the total of the following:

1. The full-time equivalent for pupils expected to participate in the special needs scholarship program multiplied by the per pupil payment amount determined under s. 115.7915 c4md, Stats. The full-time equivalent for the pupils in this subdivision shall be based on the number of scholarships identified as available in the school[s notice of intent to participate filed under s. PI 49.03 c3d.

2. The expected summer school payment for pupils participating in the special needs scholarship program based on the expected number of special needs scholarship program pupils that will participate in summer school identified in the school[s notice of intent to participate filed under s. PI 49.03 c3d.

cbd XRevised expected paymentY means a school[s expected scholarship payment amount calculated as the total of the following:

1. The full-time equivalent for pupils expected to participate in the special needs scholarship program multiplied by the per pupil payment amount determined under s. 115.7915 c4md, Stats. The full-time equivalent for the pupils in this subdivision shall be based on the number of scholarships identified as avail-

able in a revised school information update form filed under sub. c5d.

2. The expected summer school payment for pupils participating in the special needs scholarship program based on the expected number of special needs scholarship program pupils that will participate in summer school identified in the school[s notice of intent to participate filed under s. PI 49.03 c3d.

**c1md FINANCIAL REQUIREMENTS.** If a school[s initial expected payment is at least \$50,000, the school shall do one of the following:

cad Annually by the first weekday in June prior to the school year, file a bond with the department payable to the state of Wisconsin equal to 25 percent of the initial expected payment.

cbd Annually by the first weekday in March prior to the school year, file financial information with the department that demonstrates that the school has the ability to pay an amount equal to the initial expected payment, including all of the following:

1. A budget and cash flow report, on a form provided by the department, for the following school year that contains all of the following:

- a. Anticipated enrollments for all pupils enrolled in the school.

- b. Anticipated enrollments for special needs scholarship program pupils.

- c. Estimated total revenues and costs.

- d. Estimated amounts required under s. PI 49.09 c3d cad and cbd.

- e. A schedule of anticipated beginning and ending net assets.

- f. Anticipated beginning and ending reserve balance.

2. A statement of whether the school has any past due amounts, interest, or penalties due to the U.S. internal revenue service, the Wisconsin department of workforce development, or the Wisconsin department of revenue. An amount must be disclosed even if it is in dispute. If a school has past due amounts, interest, or penalties due to a government entity, the school shall do all of the following:

- a. Disclose to the department the outstanding amount owed.

- b. File with the department statements or other correspondence from the government entity stating the amount the government entity claims is due, the amount in dispute, and nature of the amount due.

3. The most recent balance sheet and income statement for the legal entity of the school.

4. Bank statements for all cash and investment accounts included in the balance sheet required under subd. 3.

5. Any other information required by the department to determine the financial position of the school.

**Note:** The budget and cash flow report may be obtained at no charge from the Wisconsin department of public instruction[s webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**c2d FINANCIAL INFORMATION REVIEW.** The department shall review the financial information filed by a school under sub. c1md cbd and any other information available to the department to determine if the school meets the requirements under s. 115.7915 c6d cfd 2., Stats. In making a determination, the department shall remove the special needs scholarship program revenue from the school[s budget to determine if any of the following indicators exist:

cad The school has inadequate revenues and other financial resources to fund current operations in the budget filed under sub. c1md cbd.

cbd The school has negative cash flows in any month in the budget filed under sub. [c1md cbd](#).

ccd The school has a negative net asset balance in the financial audit, or in a financial audit submitted under s. [118.60](#) or [119.23](#), Stats., or in the budget filed under sub. [c1md cbd](#).

cdd The school has a negative net current obligation in the financial audit, or in a financial audit submitted under s. [118.60](#) or [119.23](#), Stats., or in the budget filed under sub. [c1md cbd](#). The net current obligation shall be calculated as the current assets less the current liabilities.

ced The school has a net loss or negative change in net assets in the financial audit, or a financial audit submitted under s. [118.60](#) or [119.23](#), Stats., or in the budget filed under sub. [c1md cbd](#).

cfđ The audit opinion statement included in the financial audit, or a financial audit submitted under s. [118.60](#) or [119.23](#), Stats., contains a qualification as to the school[s] ability to continue as a going concern.

cgđ The school failed to make payments to vendors as required by written agreement or, if there is no written agreement, within 90 days of invoice or payment request. The department shall consider this an indicator even if the school has entered into a payment plan with the vendor to pay the past due amount.

chđ The school has past due amounts with government agencies, including payment of employee withholdings. The department shall consider this an indicator even if the school has entered into a payment plan with the government agency to pay the past due amount.

cid The school failed to pay its employees as required by ch. [109](#), Stats., or by written agreement with the employee.

**c3đ INSUFFICIENT FINANCIAL INFORMATION.** cad Except as provided under par. [cbd](#), the department shall determine that a school does not meet the requirements under s. [115.7915 c6đ cfd 2.](#), Stats., if any of the indicators under sub. [c2đ](#) exist.

cbd An amount in dispute identified under sub. [c2đ cgd](#) shall not be considered an indicator under sub. [c2đ cgd](#) if all of the following are true:

1. The school provided the department with written correspondence between the school and the vendor evidencing that the amount is in dispute.
2. The school has sufficient cash available to pay the amount in dispute.
3. The disputed amount is included in the budget as a current liability and paid in the first month of the budget.

ccd A school that does not meet the requirements under s. [115.7915 c6đ cfd 2.](#), Stats., shall file a surety bond with the department that meets the requirements under sub. [c1md cad](#) by the first weekday in June prior to the school year.

**c4đ BOND CALL PROVISIONS.** The department may call a bond filed by a school under this section for any of the following reasons:

cad The school failed to timely file the report required under ss. [PI 49.08](#) and [PI 49.09](#) or the reports required under s. [PI 49.07 c1đ](#).

cbd The school failed to timely refund the department any amount certified due from the school under s. [PI 49.07 c4đ](#).

ccd The school failed to timely refund the department the reserve balance as prescribed under s. [PI 49.09](#).

cdd The school failed to timely refund the department any other money owed to the department for any other reason under this chapter or s. [115.7915](#), Stats.

**c5đ REVISIONS TO NUMBER OF AVAILABLE SCHOLARSHIPS.**

cad A school that filed a bond under sub. [c1md cad](#) that the department determined met the requirements under s. [115.7915 c6đ cfd 1.](#), Stats., may revise the number of scholarships available as follows:

1. The school shall file with the department a school information update form with the revised number of scholarships available. The school information update form shall include the expected summer school payment for pupils participating in the special needs scholarship program based on the expected number of special needs scholarship program pupils that will participate in summer school identified in the school[s] notice of intent to participate filed under s. [PI 49.03 c3đ](#).

2. A school may not accept more special needs scholarship program pupils than indicated on its notice of intent to participate under s. [PI 49.03 c3đ](#) until the school information update form is filed with the department.

3. The school shall file with the department a revised bond if the expected payment increases and the difference between the initial expected payment and the revised expected payment based on the number of scholarships available under subd. 1 is at least \$50,000. The revised bond shall be equal to 25 percent of the revised expected payment based on the number of scholarships available under subd. 1. This bond shall be filed with the department by the first weekday in November.

4. After the third Friday in September, a school may not increase the number of scholarships available under this paragraph if either of the following apply:

- a. If a bond was not revised under subd. 3., the revised expected payment is at least \$50,000 more than the initial expected payment.

- b. If a bond was revised under subd. 3., the revised expected payment is at least \$50,000 more than the amount calculated under subd. 3.

cbd A school that filed financial information under sub. [c1md cbd](#) that the department determined met the requirements under s. [115.7915 c6đ cfd 2.](#), Stats., may revise the number of scholarships available as follows:

1. The school shall file with the department a school information update form with the revised number of scholarships available. The school information update form shall include the expected summer school payment for pupils participating in the special needs scholarship program based on the expected number of special needs scholarship program pupils that will participate in summer school identified in the school[s] notice of intent to participate filed under s. [PI 49.03 c3đ](#).

2. The school shall file a bond with the department if the expected payment increases and the difference between the initial expected payment and the revised expected payment based on the number of scholarships available under subd. 1 is at least \$50,000. The bond shall be payable to the state of Wisconsin and be equal to 25 percent of the difference between the initial expected payment and the revised expected payment based on the number of scholarships under subd. 1. This bond shall be filed with the department by the last weekday in August.

3. A school may not accept more special needs scholarship program pupils than indicated on its notice of intent to participate under s. [PI 49.03 c3đ](#) until the bond required under subd. 2. is filed with the department.

4. After the last weekday in August, a school may not increase the number of scholarships available under this paragraph if either of the following apply:

- a. If a bond was not filed under subd. 2., the revised expected payment is at least \$50,000 more than the initial expected payment.

b. If a bond was filed under subd. 2., the revised expected payment is at least \$50,000 more than the amount calculated under subd. 2.

ccd A school that had an initial expected payment of less than \$50,000 may revise the number of scholarships available as follows:

1. The school shall file with the department a school information update form with the revised number of scholarships available. The school information update form shall include the expected summer school payment for pupils participating in the special needs scholarship program based on the expected number of special needs scholarship program pupils that will participate in summer school identified in the school[s notice of intent to participate filed under s. PI 49.03 c3d.

2. The school shall file with the department a bond if the expected payment increases and the revised expected payment based on the number of scholarships available under subd. 1 is at least \$50,000. The bond shall be payable to the state of Wisconsin and be equal to 25 percent of the revised expected payment based on the number of scholarships available under subd. 1. This bond shall be filed with the department by the last weekday in August.

3. A school may not accept more special needs scholarship program pupils than indicated on its notice of intent to participate under s. PI 49.03 c3d until the bond required under subd. 2. is filed with the department.

4. After the last weekday in August, a school may not increase the total number of scholarships available under this paragraph if either of the following apply:

a. If a bond was not filed under subd. 2., the revised expected payment is at least \$50,000.

b. If a bond was filed under subd. 2., the revised expected payment is at least \$50,000 more than the amount calculated under subd. 2.

cdd A school that files a revised school information update form under this subsection may not remove an available scholarship for which it has already received an application under s. PI 49.05 c3d or a transfer request under s. PI 49.05 c5d cbd unless the application or transfer request has been determined ineligible.

ced Pupils that are determined eligible under s. PI 49.05 c4d cad or c5d ccd 1. for whom there is no scholarship available until the requirements in par. cad, cbd or ccd are met shall be placed on the waiting list as specified under s. PI 49.05 c4d ccd 2. for applications and s. PI 49.05 c5d ccd 2. for transfer requests.

**Note:** The school information update form may be obtained at no charge from the Wisconsin department of public instruction[s webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; EmR1630: emerg. r. c5d, eff. 11-1-16; CR 16-066: r. c5d Register April 2017 No. 736, eff. 5-1-17; EmR1815: emerg. r. and recr. c1d, cr. c1md, am. c2d cintro.d, cad to ced, c3d ccd, cr. c5d, eff 7-1-18; EmR1911: emerg. r. and recr. c1d, cr. c1md, am. c2d cintro.d, cad to cfd, c3d ccd, c4d cintro.d, cr. c5d, eff. 7-1-19; CR 19-095: r. and recr. c1d, cr. c1md, am. c2d cintro.d, cad to cfd, c3d ccd, c4d cintro.d, cr. c5d Register March 2020 No. 771, eff. 4-1-20.

**PI 49.05 Pupil application requirements. c1d EXPLANATION OF RIGHTS AND SPECIAL EDUCATION PROGRAM PROFILE.** When an applicant applies to a school, the school shall provide the applicant with all of the following:

cad An explanation of the rights of a child with a disability and his or her parent in a public school compared to the rights of a child with a disability and his or her parent at a private school participating in a special needs scholarship program on a document provided by the department under s. 115.7915 c4d camd, Stats.

cbd The profile of the school[s special education program required under s. PI 49.03 c3d ccd.

**c2d AGE REQUIREMENT.** In order to be eligible for the special needs scholarship program, a 4-year-old kindergarten pupil, 5-year-old kindergarten pupil, and a first grade pupil shall attain the ages specified in s. 118.14 c1d, Stats.

**c3d APPLICATION RECEIPT.** An application shall be considered received under s. 115.7915 c3d cbd, Stats., when an applicant has submitted all of the following to the school:

cad An application.

cbd Residency documentation.

**Note:** The application may be obtained at no charge from the Wisconsin department of public instruction[s webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**c4d APPLICATION ELIGIBILITY DETERMINATION.** Within 21 days of receiving an application under sub. c3d, the special needs scholarship program administrator or designee shall do all of the following:

cad Determine if the application is eligible pending the verification under par. cbd 1. by verifying all of the following:

1. The address on the pupil[s application is in the Wisconsin school district listed on the application using the state of Wisconsin[s Statewide Voter Registration System or any another source permitted by the department.

2. The residency document submitted under sub. c3d cbd is one of the residency documents specified by the department that shows the pupil resides at the address on the application at the time of application. The residency document shall be dated no earlier than 3 months prior to the date the application is submitted under sub. c3d cad. If a school receives a lease agreement as a residency document, the lease term shall include the date the application was submitted under sub. c3d cad. The document shall contain the name of the parent on the application and match the address on the application.

cbd If the application is determined eligible under par. cad and the school has an available scholarship for the pupil, the school shall do all of the following:

1. Send an email to the local education agency that developed the pupil[s individualized education program or services plan requesting that the local education agency verify the pupil has an individualized education program or services plan that meets the requirements under sub. c7d.

2. Send an email to the pupil[s resident school district notifying it that, pending verification that the requirements of sub. c7d are met, the child will be awarded a scholarship under s. 115.7915, Stats.

ccd Notify an applicant in writing if one of the following occurs:

1. The application under sub. c3d is determined ineligible. The school shall state in its letter the reasons why the application is ineligible.

2. The application under sub. c3d is determined eligible but the school does not have a scholarship available for the pupil. The school shall state in the letter the pupil[s place on the school[s waiting list.

**Note:** The student application designee authorization form may be obtained at no charge from the Wisconsin department of public instruction[s webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**c5d TRANSFER REQUESTS.** cad An applicant may submit a transfer request for a pupil to transfer to a different school participating in the special needs scholarship program on a form provided by the department. A pupil that has been determined to no longer be a child with a disability under s. 115.7915 c4md ccd 1.,

Stats., may not transfer under this subsection to a different school participating in the special needs scholarship program.

**cbd** A transfer request shall be considered received under s. 115.7915 **c3d cbd**, Stats., when an applicant has submitted all of the following to the school:

1. A transfer request form.
2. Residency documentation.
3. Individualized education program or services plan.

**ccd** Within 21 days of receiving a transfer request under par. **cbd**, the special needs scholarship program administrator or designee shall do all of the following:

1. Determine if the transfer request is eligible by verifying all of the following:

- a. The address on the pupil[s] transfer request is in the Wisconsin school district listed on the transfer request using the state of Wisconsin[s] Statewide Voter Registration System or another source permitted by the department.

- b. The residency document submitted under par. **cbd 2.** is one of the residency documents specified by the department that shows the pupil resides at the address on the transfer request at the time the pupil applies. The residency document shall be dated no earlier than 3 months prior to the date the transfer request is submitted under par. **cbd**. If a school receives a lease agreement as a residency document, the lease term shall include the date the transfer request was submitted under par. **cbd**. The document shall contain the name of the parent on the transfer request and match the address on the transfer request.

- c. The pupil was a special needs scholarship program pupil on the most recent count date based on the department[s] response to the email request under subd. **1m**.

**1m.** Send an email to the department requesting verification that the student was a special needs scholarship program pupil on the most recent count date.

2. Notify an applicant in writing if the transfer request was accepted or not accepted. The school shall state in its letter the reason or reasons why the transfer request is ineligible if the transfer request is determined ineligible. If the transfer request is determined eligible but the school does not have a scholarship available for the pupil, the school shall state in the letter the pupil[s] place on the school[s] waiting list.

**Note:** The transfer request form may be obtained at no charge from the Wisconsin department of public instruction[s] webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**c6d** SIBLING PREFERENCE. **cad** A school may give an application under sub. **c3d** or a transfer request under sub. **c5d** from a sibling of a pupil who is already attending the school preference over either of the following:

1. An application under sub. **c3d**, if the school has not yet sent either of the emails required under sub. **c4d cbd**.
2. A transfer request under sub. **c5d**, if the school has not sent the letter of acceptance under sub. **c5d ccd 2.**

**cbd** A school shall determine the eligibility of a sibling receiving preference under par. **cad** before the date the school is required to determine the eligibility, under sub. **c4d** or **c5d**, of any application or transfer request the sibling is given preference over.

**ccd** If the school is unable to determine if the sibling application or transfer request is eligible within the time period required under par. **cbd**, the school must accept the applications and transfer requests in the order they were received.

**c7d** INDIVIDUALIZED EDUCATION PROGRAM OR SERVICES PLAN IN EFFECT. A pupil shall be determined to have an individualized education program or services plan in effect if the pupil meets one of the following:

**cad** A local education agency is implementing the individualized education program or services plan at the time the school receives an application as provided under sub. **c3d**.

**cbd** A local education agency developed the individualized education program or services plan no earlier than 3 years prior to September 15 of the school term for which the student submits an application under sub. **c3d**, and there has not been a more recent reevaluation that determined the student no longer has a disability.

**c7gd** LOCAL EDUCATION AGENCY VERIFICATION. The local education agency that developed the pupil[s] individualized education program or services plan shall provide one of the following to the school within 5 business days of receiving the request under sub. **c4d cbd 1.:**

**cad** If the pupil has an individualized education program or services plan that meets the requirements under sub. **c7d**, the local education agency shall send a copy of the individualized education program or services plan to the school as verification that the pupil meets the requirement under sub. **c7d**.

**cbd** If the pupil does not have an individualized education program or services plan that meets the requirements under sub. **c7d**, the local education agency shall send an email or other written correspondence to the school indicating that the pupil does not meet the requirement under sub. **c7d**.

**c7rd** LETTER OF ACCEPTANCE OR DENIAL. Within 7 days of receiving the verification under sub. **c7gd**, the special needs scholarship program administrator or designee shall notify the applicant, in writing, whether the application submitted under sub. **c3d** was determined eligible or ineligible. If the application is determined ineligible, the letter shall state the reason or reasons why the application is ineligible.

**c8d** SCHOLARSHIP CONTINUANCE. Except as provided under sub. **c9d**, a scholarship awarded to a pupil under this chapter shall continue until any of the following occur:

**cad** The pupil graduates from high school.

**cbd** The pupil attains the age of 21. A pupil who attains the age of 21 shall receive the scholarship until the end of the school term in which the pupil attains the age of 21.

**ccd** The pupil no longer resides in Wisconsin as of the third Friday in September.

**cdd** The pupil is enrolled, in or out of Wisconsin, in another private school, a home-based private educational program, a charter school under s. 118.40 **c2rd** or **c2xd**, Stats., or a public school district.

**ced** A student who has been determined to no longer have a disability leaves the school he or she is attending.

**c9d** SUMMER SCHOOL ATTENDANCE. A pupil may attend summer school at a different school and continue to receive a special needs scholarship program scholarship. The school the pupil attends under this subsection may not receive a special needs scholarship program payment under s. **PI 49.16** for the pupil.

**History:** **EmR1619:** emerg. cr., eff. 6-2-16; **CR 16-005:** cr., Register October 2016 No. 730, eff. 11-1-16; correction in c1d entitled made under s. 35.17, Stats., Register October 2016 No. 730; **EmR1630:** emerg. am. c4d cintro.d, ccd 2., r. and recr. c5d cad, cbd, am. c5d ccd cintro.d, renum. c5d ccd 2. cintro.d to c5d ccd 2. and am., r. c5d ccd 2. a., b., cdd, am. c7d cad, r. and recr. c7d cbd, cr. c7d ccd, cdd, eff. 11-1-16; **CR 16-066:** am. c4d cintro.d, ccd 2., r. and recr. c5d cad, cbd, am. c5d ccd cintro.d, renum. c5d ccd 2. cintro.d to c5d ccd 2. and am., r. c5d ccd 2. a., b., cdd, am. c7d cad, r. and recr. c7d cbd, cr. c7d ccd, cdd Register April 2017 No. 736, eff. 5-1-17; **EmR1815:** emerg. am. c1d cad, r. c3d ccd, am. c4d cad cintro.d, r. c4d cad 3., renum. c4d cbd to c4d cbd cintro.d and am., cr. c4d cbd 1., 2., renum. c5d ccd 1. to c5d ccd 1. cintro.d and am., cr. c5d ccd 1. a., b., 1m., renum. c6d cad to c6d cad cintro.d and am., am. c6d ccd, r. and recr. c7d, am. c8d cintro.d, cr. c8d ccd, c9d, eff. 7-1-18; **EmR1911:** emerg. am. c1d cad, r. c3d ccd, am. c4d cad cintro.d, 2., r. c4d cad 3., renum. c4d cbd to c4d cbd cintro.d and am., cr. c4d cbd 1., 2., renum. c5d ccd 1. to c5d ccd 1. cintro.d and am., cr. c5d ccd 1. a. to c., 1m., renum. c6d cad to c6d cad cintro.d and am., am. c6d ccd, cr. c7gd, c7rd, am. c8d cintro.d, cr. c8d ccd, c9d, eff. 7-1-19; **CR 19-095:** am. c1d cad, r. c3d ccd, am. c4d cad cintro.d, 2., r. c4d cad

3., renum. c4d cbd to c4d cbd cintro.d and am., cr. c4d cbd 1., 2., am. c4d ccd 2., renum. c5d ccd 1. to c5d ccd 1. cintro.d and am., cr. c5d ccd 1. a. to c., 1m., am. c5d ccd 2., renum. c6d cad to c6d cad cintro.d and am., am. c6d ccd. r. and recr. c7d, cr. c7gd, c7rd, am. c8d cintro.d, cr. c8d ccd, c9d [Register March 2020 No. 771](#), eff. 4-1-20.

**PI 49.06 School year enrollment. c1d DOCUMENT RETENTION.** A school shall retain all of the following records for at least 5 years from the end of the school year in which the pupil applies or 5 years after the pupil no longer attends the school, whichever occurs later, unless the department or a law enforcement agency requires the school to retain the records for a longer period:

cad Copies of all documentation required under s. [PI 49.05](#) for all accepted and non-accepted special needs scholarship program pupils who have submitted applications or transfer requests to the school.

cbd Copies of any documentation received for reevaluations under s. [115.7915 c2d chd](#), Stats.

ccd Copies of all documents required under s. [PI 49.12](#).

**c2d SIMULTANEOUSLY ENROLLED PUPIL.** Except as provided under s. [PI 49.05 c9d](#), a pupil participating in the special needs scholarship program may not receive a scholarship and be simultaneously enrolled, in or out of Wisconsin, in another private school, a home-based private educational program, a charter school under s. [118.40 c2rd](#) or [c2xd](#), Stats., or a public school district. A pupil receiving a scholarship under s. [115.7915](#), Stats., may not receive a payment under s. [118.60](#) or [119.23](#), Stats.

**c3d FULL-TIME EQUIVALENT.** The full-time equivalent shall be determined as follows:

cad Pupils in grades one through 12 shall be one full-time equivalent.

cbd A kindergarten pupil shall be one-half full-time equivalent except as follows:

1. A pupil enrolled in a 5-year-old kindergarten program that requires full-day attendance by the pupil for 5 days a week, but not on any day of the week that pupils enrolled in other grades in the school do not attend school, for an entire school term shall be counted as one full-time equivalent.

2. A pupil enrolled in a 5-year-old kindergarten program that requires full-day attendance by the pupil for 4 days a week, but not on any day of the week that pupils enrolled in other grades in the school do not attend school, for an entire school term shall be counted as a 0.8 full-time equivalent.

2m. A pupil enrolled in a 5-year-old kindergarten program that requires full-day attendance by the pupil for 3 days a week, but not on any day of the week that pupils enrolled in other grades in the school do not attend school, for an entire school term shall be counted as a 0.6 full-time equivalent.

3. A school may count a pupil enrolled in a 4-year-old kindergarten program that provides the required number of hours of direct pupil instruction under s. [121.02 c1d cfd](#), Stats., as a 0.6 full-time equivalent if the program also annually provides at least 87.5 additional hours of 4-year-old kindergarten outreach activities.

4. For purposes of this subsection, Xfull-dayY means the following:

a. If the private school offers first grade and is participating in a program under s. [118.60](#) or [119.23](#), Stats., the length of the school day required to meet the total number of hours of instruction for first grade pupils under ss. [118.60 c2d cad 8.](#) and [119.23 c2d cad 8.](#), Stats.

b. If the private school does not participate in a program under s. [118.60](#) or [119.23](#), Stats., the length of the school day re-

quired to meet the total number of hours of instruction for first grade pupils at the private school under s. [118.165 c1d ccd](#), Stats.

c. If the private school does not offer first grade and is participating in a program under s. [118.60](#) or [119.23](#), Stats., the length of the school day required to meet the total number of hours of instruction for first grade pupils under s. [118.165 c1d ccd](#), Stats.

**c3md APPLICATION AND TRANSFER REQUEST SUBMISSION.** By the next filing deadline, a school shall file with the department, using the online application system or other manner specified by the department, all of the applications determined eligible under s. [PI 49.05 c4d](#) and [c7rd](#) or transfer requests accepted under s. [PI 49.05 c5d](#) that have not previously been filed with the department. The filing deadlines are the second Friday in August, the last weekday in August, the third Friday in September, or the second Friday in January.

**c4d PRELIMINARY CLASS LIST SUBMISSION.** Annually by the last weekday in August, a school shall file with the department, using the online application system or other manner specified by the department, all of the following:

cbd A list of pupils enrolled in the special needs scholarship program at the school that identifies if each pupil was determined to no longer be a child with a disability under s. [115.7915 c4md ccd 1.](#), Stats., in a previous year.

ccd A class list of all pupils enrolled in the special needs scholarship program at the school by grade level. The class list may only include applications or transfer requests filed under sub. [c3md](#) by the last weekday in August and may not include pupils that have withdrawn from the school.

cdd A list of the pupils that were enrolled in the special needs scholarship program that are no longer eligible for a scholarship under s. [PI 49.05 c8d](#) and have not been previously reported to the department.

**c5d PUPIL COUNT REPORTS.** Annually by the last weekday in September and the last weekday in January, a school shall file with the department, using the online application system or other manner specified by the department, all of the following:

cbd A pupil count report stating all of the following:

1. The grade of each pupil participating in the special needs scholarship program on the immediately preceding count date. In order to be eligible for payment, a 4-year-old kindergarten pupil, 5-year-old kindergarten pupil, and first grade pupil shall attain the age specified in s. [118.14 c1d](#), Stats. A pupil may only be included in the pupil count report if the pupil[s] application or transfer request was filed under sub. [c3md](#) by the count date for which the report is being submitted.

2. Whether each pupil meets the requirements under sub. [c6d](#).

3. Whether each pupil is a full scholarship pupil or a partial scholarship pupil.

4. The total number of pupils in the school on the immediately preceding count date that meet the requirements under sub. [c6d](#).

ccd As part of the pupil count report for the third Friday in September, a school shall do all of the following for pupils that submitted applications or transfer requests in a previous school year that were determined eligible under s. [PI 49.05](#) and have not had one of the events in s. [PI 49.05 c8d](#) occur:

1. Obtain residency documentation for the pupil[s] address on the third Friday in September that meets all of the following requirements:

a. The documentation is dated between the third Friday in August and the last weekday in September. If a school receives a

lease agreement as a residency document, the lease term includes the third Friday in September.

b. The documentation is one of the residency documents specified by the department.

c. The document contains the name of the parent.

d. The address on the document matches the pupil[s] address as of the third Friday in September.

2. Determine whether the pupil has a different address than the previous school year. If a pupil has a different address, the school shall determine the pupil[s] resident school district for the new address using the state of Wisconsin[s] Statewide Voter Registration System or any other source permitted by the department.

cdd A list of the pupils that were enrolled in the special needs scholarship program that are no longer eligible for a scholarship under s. [PI 49.05 c8d](#) and have not been previously reported to the department.

ced As part of the pupil count report for the third Friday in September, the school[s] start and end date for the current school term.

**c6d COUNT REQUIREMENTS.** A school may include a pupil on its pupil count report under sub. [c5d cbd](#) only if one of the following applies:

cad The pupil is in attendance for instruction on the count date.

cbd The pupil is absent on the count date but attended the school for instruction at least one day during the school term prior to the count date and at least one day after the count date, and the pupil was not enrolled in another school in or out of Wisconsin, including another private school, a home-based educational program, a charter school under s. [118.40 c2rd](#) or [c2xd](#), Stats., or a public school district, during the period of absence from the school.

**c7d AGREEMENT OF SERVICES.** A school may only include a pupil on its report under sub. [c4d cbd](#) or [c5d cbd](#) if the school has a written agreement, as required under s. [115.7915 c6d chd 1.](#), Stats., with the pupil[s] parent that meets all of the following requirements:

cad The agreement specifies the services that will be provided to the special needs scholarship program pupil.

cbd The agreement is signed and dated by the parent and the school by the due date of a report submitted under sub. [c4d cbd](#) or the count date for a report submitted under sub. [c5d cbd](#).

**History:** [EmR1619](#): emerg. cr., eff. 6-2-16; [CR 16-005](#): cr., [Register October 2016 No. 730](#), eff. 11-1-16; [EmR1815](#): emerg. am. c2d, c3d cintro.d, cr. c3md, am. c4d cintro.d, cdd, c5d cintro.d, ccd cintro.d, 1. a., cr. c5d cdd, ced, eff. 7-1-18; [EmR1911](#): emerg. am. c2d, c3d cintro.d, renum. c3d cbd 2. cintro.d to c3d cbd 2. and am., r. c3d cbd 2. a., b., cr. c3d cbd 2m., c3md, am. c4d cintro.d, r. c4d cad, am. c4d ced, cdd, c5d cintro.d, r. c5d cad, am. c5d cbd 1., ccd cintro.d, 1. a., c., cr. c5d cdd, ced, c7d, eff. 7-1-19; [CR 19-095](#): am. c2d, c3d cintro.d, renum. c3d cbd 2. cintro.d to c3d cbd 2. and am., r. c3d cbd 2. a., b., cr. c3d cbd 2m., renum. c3d cbd 4. to c3d cbd 4. cintro.d, cr. c3d cbd 4. a. to c., c3md, am. c4d cintro.d, r. c4d cad, am. c4d ced, cdd, c5d cintro.d, r. c5d cad, am. c5d cbd 1., ccd cintro.d, 1. a., c., cr. c5d cdd, ced, c7d [Register March 2020 No. 771](#), eff. 4-1-20; correction in c5d ced made under s. [35.17](#), Stats., and correction in c7d made under s. [13.92 c4d cbd 1.](#), Stats., [Register March 2020 No. 771](#).

**PI 49.07 Enrollment audits. c1d REPORT COMPLETION AND SUBMISSION.** A school shall engage an auditor to compile the enrollment audit using agreed upon procedures that identify ineligible pupils for whom the school has received payment under s. [115.7915 c4md](#) or [c4pd](#), Stats., pupils with incorrect data in the department[s] database, and additional eligible pupils qualifying the school for a payment. The report shall be prepared in accordance with professional standards and identify the procedures agreed upon by the auditor and the department that were used. A school shall file an enrollment audit with the department for the following:

cad The third Friday in September enrollment reported under s. [PI 49.06 c5d cbd](#). A school shall file its third Friday in September enrollment audit with the department by December 15.

cbd The second Friday in January enrollment reported under s. [PI 49.06 c5d cbd](#). A school shall file its second Friday in January enrollment audit with the department by the first weekday in May.

**c2d SCHOOL RECORDS.** A school shall provide its auditor with the official attendance records and the original classroom records for the auditor[s] use in conducting the enrollment audit. The official attendance records shall identify pupils participating in the special needs scholarship program. If the official attendance records are from the school[s] student information system, the school may provide a separate report from the student information system that identifies which students are special needs scholarship program pupils.

**c3d REQUIRED PROCEDURES.** An auditor shall complete the procedures specified in the department[s] audit guide, including all of the following:

cad Determine the school[s] process for preparing attendance records and accepting and reviewing applications and transfer requests.

cbd If a school counts any 4-year-old kindergarten pupil as a 0.6 full-time equivalent, as provided under s. [PI 49.06 c3d cbd 3.](#), verify that the 4-year-old kindergarten program is providing at least 87.5 hours of 4-year-old kindergarten outreach activities as documented by teacher logs.

ccd Complete a fraud risk assessment.

cdd If the school uses a student information system, complete testing of the enrollment software using one of the following:

1. The department[s] pupil enrollment software test plan.

2. A pupil enrollment software test plan developed by the auditor. The auditor shall annually submit the plan to the department for approval. The auditor shall not use the test plan until it is approved by the department.

cfđ Verify that the total number of pupils attending the school on the official attendance records match the total number of pupils based on the pupil count report under s. [PI 49.06 c5d cbd](#) for each grade category.

cgd Verify the enrollment for all special needs scholarship program pupils reported on the pupil count report under s. [PI 49.06 c5d cbd](#) using the school[s] official attendance records.

cid Verify that the special needs scholarship program pupils meet the requirements of s. [PI 49.06 c6d](#).

cjd Verify that the school did not receive a payment under s. [115.7915 c4md](#), Stats., for any of the following:

1. Pupils for whom the school is receiving a childcare payment for all day care.

2. Pupils who are enrolled in a public school district.

3. Pupils participating in a program under s. [118.60](#) or [119.23](#), Stats.

ckd Select a sample of at least 60 pupils not participating in the special needs scholarship program from original classroom records and verify the school included the selected pupils in the official attendance records. The sample shall include pupils from each classroom. If the pupils are in different classrooms during the day, the auditor may select one period and select pupils from each classroom for that period. If the auditor identifies an auditing exception, the auditor shall increase the sample size in increments of 60 pupils until the auditor finds no additional exceptions or until the auditor verifies that all pupils have been properly included in reported enrollments. If the school has an enrollment of fewer than 60 pupils who did not participate in the spe-



cial needs scholarship program, the auditor shall examine records for all pupils who did not participate in the special needs scholarship program.

**cLd** Reconcile the enrollment the school reported to the department under s. 115.30 c3d, Stats., with the official attendance records of the school.

**cmd** Verify that any application that has not been counted on a previous count date under s. PI 49.06 c5d cbd meets the requirements of s. PI 49.05 and s. 115.7915 c2d, Stats. If the auditor identifies that an application is missing the information required under s. PI 49.05 c4d cad 2., the school may correct the application if the applicant provides the missing documentation. The missing documentation shall be provided by the due date of the enrollment audit specified under sub. c1d in which the application is required to be reviewed under this subsection. If the missing documentation is not provided by the required date, the application shall be determined ineligible.

**cnd** If a pupil participated in the special needs scholarship program in the previous year, the auditor shall verify that the residency documentation obtained pursuant to s. PI 49.06 c5d ccd meets the requirements of that paragraph.

**cod** Verify that any pupils in 4-year-old kindergarten, 5-year-old kindergarten, or first grade meet the age requirements in s. 118.14 c1d, Stats.

**cpd** Verify that the school complied with the requirements under s. PI 49.03 c4d.

**cqd** Perform other auditing procedures as agreed upon by the auditor and the department.

**crd** Verify that any reevaluations required under s. 115.7915 c2d chd, Stats., have been completed and that the school properly identified partial scholarship pupils on the pupil count report under s. PI 49.06 c5d cbd 3.

**csd** Verify that the school has a written agreement with each parent specifying the services that will be provided to each special needs scholarship program pupil. The auditor shall ensure the school and the parent entered into the agreement by the count date.

**ctd** Verify that any transfer request that has not been counted on a previous count date under s. PI 49.06 c5d cbd, meets the requirements of s. PI 49.05. If the auditor identifies that a transfer request is missing the information required under s. PI 49.05 c5d cbd 2. or 3., the school may correct the transfer request if the applicant provides the missing documentation. The missing documentation shall be provided by the due date of the enrollment audit specified under sub. c1d in which the transfer request is required to be reviewed under this subsection. If the missing documentation is not provided by the required date, the transfer request shall be determined ineligible.

**cud** If the school operated a summer school program, review all school documentation to support the summer school report the school filed with the department under s. PI 49.16 c5d. The review shall be part of the third Friday in September enrollment audit.

**c4d CERTIFICATIONS.** cad Upon review of the enrollment audits, the department shall certify an amount due from a school or an amount due to the school. The certifications shall include any adjustments identified in the financial audits submitted under ss. PI 49.08 and 49.09 to the costs for a pupil or government assistance revenue received for educational programming for a pupil in the reports submitted under s. PI 49.13 c7d. If, based on the financial audit, the payment amount calculated under s. 115.7915 c4md cmd, Stats., for a pupil in a report submitted under s. PI 49.13 c7d is less than the payment amount calculated under s. 115.7915 c4md cad 2. b., Stats., the payment for the pupil shall be

calculated as specified under s. 115.7915 c4md cad 2. b., Stats. If a school fails to file an enrollment audit with the department, the department may determine that all special needs scholarship program pupils are ineligible.

**cbd** A school shall refund to the department the amount certified as due to the department as specified under s. PI 49.13 c6d.

**ccd** The department shall pay any additional amount due to a school for eligible pupils within 60 days of the date of the certification letter.

**Note:** The enrollment audit form and department[s] pupil enrollment software test plan may be obtained at no charge from the Wisconsin department of public instruction[s] webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; correction in c3d cpd made under s. 35.17, Stats., Register October 2016 No. 730; EmR1630: emerg. cr. c3d crd to ctd, am. c4d cbd 1., eff. 11-1-16; CR 16-066: cr. c3d crd to ctd, am. c4d cbd 1. Register April 2017 No. 736, eff. 5-1-17; EmR1815: emerg. am. c1d cintro.d, cad, c2d, c3d cad, r. c3d ced, am. c3d cfd, r. c3d chd, am. c3d ckd, cmd, cpd, ctd, cr. c3d cud, renum. c4d cbd cintro.d to c4d cbd and am., r. c4d cbd 1., 2., eff. 7-1-18; EmR1911: emerg. am. c1d cintro.d, cad, cbd, c2d, c3d cad, r. c3d ced, am. c3d cfd, r. c3d chd, am. c3d cjd 3., ckd, cmd, cpd, ctd, cr. c3d cud, am. c4d cad, renum. c4d cbd cintro.d to c4d cbd and am., r. c4d cbd 1., 2., eff. 7-1-19; CR 19-095: am. c1d cintro.d, cad, cbd, c2d, c3d cad, r. c3d ced, am. c3d cfd, r. c3d chd, am. c3d cjd 3., ckd, cmd, cpd, ctd, cr. c3d cud, am. c4d cad, renum. c4d cbd cintro.d to c4d cbd and am., r. c4d cbd 1., 2. Register March 2020 No. 771, eff. 4-1-20; EmR2117: emerg. am. c4d cad, eff. 6-12-21; CR 21-046: am. c4d cad Register February 2022 No. 794, eff. 3-1-22.

**PI 49.08 Financial audit. c1d FINANCIAL AUDIT REQUIREMENTS.** Annually by October 15, a school shall submit a financial audit and financial audit supplemental schedule to the department. The financial audit shall comply with all of the following:

**cad** The financial audit shall either include the school-only balances and activity or shall be prepared at the consolidated level as permitted by generally accepted accounting principles.

**cbd** A school may submit a financial audit that includes a modified audit opinion due to fixed assets purchased in previous years not being included in the financial audit.

**ccd** The school shall have support for the original purchase price for the fixed assets and evidence that the school paid for the fixed asset purchases in order for the depreciation expense to be an eligible education expense. If any fixed assets are included in the statement of financial position that do not meet these requirements, the financial audit shall include a footnote disclosure that includes the fixed asset amount, accumulated depreciation, and current year depreciation expense for the fixed assets that do not meet the requirements to be included as an eligible education expense.

**cdd** Except as provided under par. cbd and sub. c4d cbd, a financial audit that includes a modified audit opinion does not meet the requirements under s. 115.7915 c6d ced, Stats., and this chapter unless the modification is approved by the department.

**c2d COMPLIANCE WITH AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REQUIREMENTS.** An auditor engaged by a school to provide the audit opinion in this section shall comply with the auditing standards established by the American Institute of Certified Public Accountants, including all of the following:

**cad** The auditor shall develop written audit programs identifying the steps and procedures to be followed in conducting the audit, including establishing the planning materiality that the auditor will use for the audit.

**cbd** The auditor shall trace all entries on the financial audit and financial audit supplemental schedule to the trial balance provided by the school.

**ccd** The auditor shall obtain sufficient appropriate audit evidence to conclude that the financial statements do not contain misstatements the effect of which, when aggregated with misstatements in other accounts and transactions, exceeds the planning materiality and results in a material misstatement in the fi-

nancial statements or in the school[s] net eligible education expenses. The auditor shall determine sufficient appropriate audit evidence based on the requirements of the American Institute of Certified Public Accountants.

**c3d** STANDARD FINANCIAL AUDIT. cad The standard financial audit shall be prepared in accordance with generally accepted accounting principles.

cbd Except as provided under par. **ccd**, the standard financial audit shall include 2-year comparative financial statements containing all of the statements required by generally accepted accounting principles, including a statement of financial position, a statement of activities, and a statement of cash flows. Both years of the financial statements shall be audited.

ccd The first year a school completes a standard financial audit for the special needs scholarship program, the statement of activities and statement of cash flows may only include the current school year.

**c4d** MODIFIED FINANCIAL AUDIT. cad The modified financial audit shall include an audited one-year statement of financial position prepared as required by generally accepted accounting principles.

cbd A school may submit a modified financial audit that includes a modified audit opinion due to post-retirement benefits being excluded from the statement of financial position.

**c5d** MANAGEMENT LETTER. The management letter required under s. **115.7915 c6d ced**, Stats., shall include all of the following if issued by the auditor:

cad Any letter issued under the American Institute of Certified Public Accountants Statement on Auditing Standards 114.

cbd Any letter issued under the American Institute of Certified Public Accountants Statement on Auditing Standards 115.

ccd Any other letter to management communicating significant deficiencies or material weaknesses in the internal controls.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; EmR1815: emerg. r. and recr. c1d, cr. c3d to c5d, eff. 7-1-18; EmR1911: emerg. r. and recr. c1d, cr. c3d to c5d, eff. 7-1-19; CR 19-095: r. and recr. c1d, cr. c3d to c5d Register March 2020 No. 771, eff. 4-1-20.

### PI 49.09 Financial audit supplemental schedule.

**c1d** ELIGIBLE EDUCATION EXPENSES. The eligible education expenses included in the financial audit supplemental schedule shall comply with all of the following:

cad Eligible education expenses may only include those expenses that already have or will result in a cash disbursement.

cbd Eligible education expenses may only include the following:

1. In a standard financial audit, expenses that are in the statement of activities, except for the cost of land. The amount that the school paid for land shall be included in the first year the land is used for educational programming using an allocation method under par. **cdd**, if applicable.

2. In a modified financial audit, expenses that would be included in the statement of activities for the school year based on generally accepted accounting principles except for the following:

a. The amount that the school paid for land shall be included in the first year the land is used for educational programming using an allocation method under par. **cdd**, if applicable.

b. Post-retirement benefits may be included as an eligible education expense based on the amount expended for the post-retirement benefits in the school year.

ccd An expense may only be included as an eligible education expense one time.

cdd If an expense or government assistance revenue is par-

tially related to educational programming, the school shall use an allocation method to determine the portion that is related to educational programming.

ced The following may not be included in kindergarten through grade 12 eligible education expenses:

1. Contributed services, fixed assets or goods.

2. Scholarship awards and financial support for pupils to attend the private school, including payments to parents or others on behalf of pupils.

3. Daycare expenses except expenses for before or after school care for kindergarten through grade 12 pupils that are enrolled in educational programming at the school.

4. Expenses for pupils who are enrolled in the public school district and attending the private school.

**c2d** AUDITOR REVIEW OF ELIGIBLE EDUCATION EXPENSES. An auditor shall ensure the eligible education expenses a school included in the supplemental schedule comply with the requirements under sub. **c1d** and s. **PI 49.08 c1d ccd**.

**c3d** SUPPLEMENTAL SCHEDULE CALCULATIONS. The supplemental schedule shall calculate all of the following:

cad Net eligible education expenses incurred primarily for special needs scholarship program pupils as follows:

1. Determine the amount of primarily special needs scholarship program expenses. The amount included as an eligible education expense shall be determined using an allocation method specifically related to the expense being allocated. This amount may not include costs included as eligible in any statements provided under s. **PI 49.13 c7d**.

2. Subtract all government assistance revenues received for primarily special needs scholarship program expenses.

3. Subtract the lesser of the following:

a. Fundraising revenue.

b. The non-administrative fundraising expenses included in the expenses in subd. **1**. In this subdivision, administrative expenses include expenses for school personnel, copying, mailing, or fixed assets used for other school purposes.

4. Subtract all insurance proceeds received for primarily special needs scholarship program expenses.

cbd Net eligible education expenses for all pupils as follows:

1. Determine the amount of eligible education expenses, excluding eligible education expenses in par. **cad** and costs included as eligible in any statements provided under s. **PI 49.13 c7d** incurred in that school year. If an expense is included under par. **cad** that is not 100 percent related to special needs scholarship program pupils, the total expense prior to applying the allocation percentage shall be excluded under this subdivision.

2. Subtract all government assistance revenues received for eligible education expenses. This amount shall not include government assistance revenues subtracted in par. **cad 2**, or in the statements provided under s. **PI 49.13 c7d**.

3. Subtract the lesser of the following:

a. Fundraising revenue.

b. The non-administrative fundraising expenses included in the expenses in subd. **1**. In this subdivision, administrative expenses include expenses for school personnel, copying, mailing, or fixed assets used for other school purposes.

4. Subtract all insurance proceeds received for eligible education expenses, excluding eligible education expenses in par. **cad**.

ccd The net eligible education expenses for special needs scholarship program pupils as follows:

1. Calculate the percentage of pupils at the school participat-

ing in the special needs scholarship program as the full-time equivalent for the special needs scholarship program pupils compared to the all pupil full-time equivalent. The full-time equivalents shall be based on the average of the full-time equivalents determined in the enrollment audits under s. [PI 49.07](#). The full-time equivalent for the special needs scholarship program pupils shall exclude pupils that received a payment under s. [PI 49.13 c7d](#) in that school year.

2. Multiply the amount calculated under par. [cbd](#) by the percentage under subd. [1](#).

3. Add the net eligible education expenses under par. [cad](#) and costs included as eligible in any statements provided under s. [PI 49.13 c7d](#) incurred in that school year.

4. Subtract government assistance revenue related to that school year that is subtracted in the statements provided under s. [PI 49.13 c7d](#).

[cdd](#) The reserve balance as follows:

1. Determine the total scholarships received for the school year being audited and any adjustments for the school year under s. [PI 49.07 c4d](#). This amount shall include summer school revenue received under s. [115.7915 c4pd](#), Stats., for the immediately preceding summer.

2. Add the prior year reserve balance, if any.

3. Subtract the amount determined under par. [ccd](#).

[ced](#) The school[s] cash and investment balance that must be maintained under sub. [c4d](#) as follows:

1. Determine the sum of any remaining depreciation on fixed assets used by the school and any land purchases that have not yet been included in eligible cost under sub. [c1d cbd](#) that meet the requirements to be included as an eligible education expense. The depreciation under this subdivision shall not include depreciation for leased right of use assets.

2. Subtract the amount under subd. [1](#) from the amount under par. [cdd](#).

**c3md PAYCHECK PROTECTION PROGRAM LOANS.** Notwithstanding sub. [c3d cad 2.](#), [cbd 2.](#), and [ccd 4.](#), the forgiven portion of Paycheck Protection Program loans administered by the U.S. small business administration under [15 USC 636](#) may not be included as offsetting government assistance revenue in the supplemental schedule.

**c4d MAINTAIN RESERVE BALANCE.** The school shall maintain the reserve balance, if positive, for future eligible education expenses for special needs scholarship program pupils. The school[s] cash and investment balance shall be at least as much as the amount calculated under sub. [c3d ced](#), if positive. If the school is participating in a program under s. [118.60](#) or [119.23](#), Stats., the cash and investment balance shall be at least as much as the reserve calculated under this chapter and chs. [PI 35](#) and [48](#) less the sum of any remaining depreciation on fixed assets used by the school and any land purchases that have not yet been included in eligible cost under sub. [c1d cbd](#) that meet the requirements to be included as an eligible education expense. The depreciation under this subsection shall not include depreciation for leased right of use assets.

**c5d FINANCIAL AUDIT SUBMISSION.** [cad](#) If a school ceases to participate or is barred from participation in the special needs scholarship program under s. [115.7915](#), Stats., it shall submit to the department the financial audit for the final school year in which it participated. The net eligible education expenses under sub. [c3d ccd](#) shall be multiplied by the percent of the school year the school participated in the special needs scholarship program if the school was not eligible for all of the payments under s. [PI 49.13](#). This percentage shall be calculated as follows:

1. The net eligible education expenses shall be multiplied by 25 percent if the school was only eligible for the September payment.

2. The net eligible education expenses shall be multiplied by 50 percent if the school was only eligible for the September and November payments.

3. The net eligible education expenses shall be multiplied by 75 percent if the school was only eligible for the September, November, and February payments.

[cbd](#) If a school fails to submit the financial audit, the school[s] net eligible education expenses for the year shall be determined to be zero for purposes of determining the school[s] reserve balance.

**c6d REFUND OF THE RESERVE.** If a school ceases to participate or is barred from participating in the special needs scholarship program under s. [115.7915](#), Stats., and the school[s] reserve is positive, the school shall refund the reserve balance to the department as specified under s. [PI 49.13 c6d](#).

**History:** [EmR1619](#): emerg. cr., eff. 6-2-16; [CR 16-005](#): cr., [Register October 2016 No. 730](#), eff. 11-1-16; correction in [c4d](#) made under s. [35.17](#), Stats., [Register October 2016 No. 730](#); [EmR1630](#): emerg. renum. [c3d cad 3.](#) to [c3d cad 3. cintro.d](#) and am., cr. [c3d cad 3. a., b.](#), renum. [c3d cbd 3.](#) to [c3d cbd 3. cintro.d](#) and am., cr. [c3d cbd 3. a., b.](#), am. [c5d ctitle](#), renum. [c5d](#) to [c5d cad, cbd](#), eff. 11-1-16; [CR 16-066](#): renum. [c3d cad 3.](#) to [c3d cad 3. cintro.d](#) and am., cr. [c3d cad 3. a., b.](#), renum. [c3d cbd 3.](#) to [c3d cbd 3. cintro.d](#) and am., cr. [c3d cbd 3. a., b.](#), am. [c5d ctitle](#), renum. [c5d](#) to [c5d cad, cbd](#) [Register April 2017 No. 736](#), eff. 5-1-17; [EmR1815](#): emerg. am. [c1d ced 1.](#), [c3d cdd 1.](#), [ced 1.](#), [c4d](#), eff. 7-1-18; [EmR1911](#): emerg. renum. [c1d cbd](#) to [c1d cbd cintro.d](#) and am., cr. [c1d cbd 2.](#), am. [c1d ced 1.](#), [c2d](#), [c3d cad cintro.d 1.](#), [2.](#), [3. b.](#), [4.](#), [cbd 1.](#), [2.](#), [3. b.](#), [ced 1.](#), [3.](#), cr. [c3d cdd 4.](#), am. [c3d cdd 1.](#), [ced 1.](#), [c4d](#), renum. [c5d cad](#) to [c5d cad cintro.d](#) and am., cr. [c5d cad 1.](#) to [3.](#), am. [c6d](#), eff. 7-1-19; [CR 19-095](#): renum. [c1d cbd](#) to [c1d cbd cintro.d](#) and am., cr. [c1d cbd 2.](#), am. [c1d ced 1.](#), [c2d](#), [c3d cad cintro.d 1.](#), [2.](#), [3. b.](#), [4.](#), [cbd 1.](#), [2.](#), [3. b.](#), [ced 1.](#), [3.](#), cr. [c3d cdd 4.](#), am. [c3d cdd 1.](#), [ced 1.](#), [c4d](#), renum. [c5d cad](#) to [c5d cad cintro.d](#) and am., cr. [c5d cad 1.](#) to [3.](#), am. [c6d](#) [Register March 2020 No. 771](#), eff. 4-1-20; [EmR2117](#): emerg. cr. [c3md](#), eff. 6-12-21; [CR 21-046](#): cr. [c3md](#) [Register February 2022 No. 794](#), eff. 3-1-22.

**PI 49.10 School financial requirements. c1d ENGAGEMENT LETTER.** A school shall have a written engagement letter with each auditor providing services required by this chapter. The school or auditor shall provide a copy of the engagement letter to the department upon request. The written engagement letter shall contain all of the following:

[cad](#) A statement that the auditor shall comply with generally accepted auditing standards and the requirements of this chapter.

[cbd](#) A statement that the auditor shall comply with generally accepted governmental auditing standards if other governmental agencies providing funds to the school so require.

[ccd](#) The responsibilities of the school and the auditor in meeting the requirements of this chapter.

[cdd](#) The services the auditor provides to the school that are in addition to those audit and attestation services required under this chapter.

[ced](#) The auditor[s] acknowledgement that the department will rely on the auditor[s] work to fulfill the department[s] responsibilities under s. [115.7915](#), Stats., and this chapter.

[cfd](#) The auditor[s] compensation for the services the auditor provides to the school.

**c2d FINANCIAL ACCOUNTING SYSTEM.** A school shall use a double entry financial accounting system organized in a manner that enables preparation of the financial audit and financial audit supplemental schedule. A school shall balance the financial accounting system and provide the auditor with a trial balance of the account balances.

**c3d ADJUSTING ENTRIES.** Adjustments to the school[s] trial balance recommended by a school[s] auditor shall be approved by the school before the entries are recorded in the school[s] financial accounting system.

**c4d RECORDS RETENTION.** A school shall retain all financial and pupil records relating to the enrollment audits under s. [PI](#)

49.07 and the audit required under ss. PI 49.08 and PI 49.09 for at least 5 years from the due date of the financial audit for each school year, unless the department or a law enforcement agency requests that the school retain the records for more than 5 years.

**c5d RECORDS AVAILABILITY.** A school shall furnish all financial and pupil records the auditor considers necessary to provide the audit opinion or agreed upon procedure reports. Upon request by the department, a school shall provide the department access and copies to the records referenced in the auditor[s] working papers.

**c6d SCHOOL RESPONSIBILITY.** An auditor[s] failure to completely or properly perform the responsibilities set forth in s. 115.7915, Stats., or this chapter is not a defense to any determination the department makes under this chapter or s. 115.7915, Stats.

**c7d AUDITOR BAR.** A school participating in the special needs scholarship program may not engage an auditor who the department bars under s. PI 35.12 c7d, PI 48.12 c7d, or PI 49.11 c7d until such time as the auditor provides evidence acceptable to the department that the auditor has made procedural changes and has successfully completed professional development training that enables the auditor to comply with the requirements of this chapter, chs. PI 35 and 48, and ss. 115.7915, 118.60, and 119.23, Stats.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; correction in c7d made under s. 35.17, Stats., Register October 2016 No. 730; EmR1815: emerg. am. c6d, eff. 7-1-18; EmR1911: emerg. am. c6d, eff. 7-1-19; CR 19-095: am. c6d Register March 2020 No. 771, eff. 4-1-20.

**PI 49.11 Auditor requirements. c1d INDEPENDENCE REQUIREMENTS.** An auditor engaged by a school to meet the requirements under this chapter and s. 115.7915, Stats., shall comply with the standards of the American Institute of Certified Public Accountants, including all of following:

cad An auditor shall comply with the requirements of s. Accy 1.101.

cbd An auditor shall obtain the school[s] trial balance if completing compilation or review services.

ccd Except as provided in par. cdd, an auditor may not post or prepare for posting typical reoccurring financial transactions to the school[s] general ledger, including cash receipts and disbursements, invoices or billings for services, billings from vendors and suppliers, and payroll activity.

cdd An auditor shall obtain written approval of the school[s] management prior to posting adjusting, correcting, and closing journal entries to the school[s] general ledger. An auditor[s] working papers shall document evidence of management approval for all such entries resulting from a financial statement compilation, review, or audit.

ced If an auditor assists in the preparation of a school[s] budget, the auditor shall do all of the following:

1. Comply with s. Accy 1.201 c1d ced, regarding forecasts.
2. Identify that such assistance was provided, if required by the department.

**c2d INQUIRIES.** An auditor shall promptly respond to inquiries or requests made by the department. The auditor shall notify the school of any inquiries or requests made by the department and the auditor[s] response.

**c3d WORKING PAPERS RETENTION.** An auditor shall retain working papers relating to the enrollment audits under s. PI 49.07 and the audit required under ss. PI 49.08 and 49.09 for at least 5 years from the due date of the financial audit for each school year, unless the department or a law enforcement agency requests that the auditor retain working papers for more than 5 years.

**c4d WORKING PAPERS REVIEW.** An auditor shall permit the department to review audit working papers prepared in support of the enrollment audits under s. PI 49.07 and the audit required under ss. PI 49.08 and 49.09. An auditor shall promptly provide copies of working papers the department requests.

**c5d AUDITOR PEER REVIEW REPORTS.** An auditor completing any of the audits and agreed upon procedure reports under s. 115.7915, Stats., or this chapter shall file the auditors peer review required under s. 442.087, Stats., with the department within 30 days of the report issuance.

**c6d LICENSE REQUIREMENTS.** cad The auditing firm that is engaged by a school to complete the audits and agreed upon procedure reports under this chapter or s. 115.7915, Stats., shall be licensed as a certified public accounting firm by the accounting examining board under ch. 442, Stats.

cbd The individual auditor who signs the engagement letter for the audits and agreed upon procedure reports under this chapter or s. 115.7915, Stats., shall be a licensed certified public accountant by the accounting examining board under ch. 442, Stats.

**c7d AUDITOR BAR.** cad The department may bar an auditor who fails to timely and properly fulfill the auditing and reporting requirements of this chapter or s. 115.7915, Stats.

cbd An auditor who is barred under par. cad shall not complete accounting, auditing, or other reporting requirements for any schools participating in the special needs scholarship program or in a program under s. 118.60 or 119.23, Stats., until such time as all of the following occur:

1. The auditor files with the department evidence acceptable to the department that the auditor has made procedural changes to the manner in which the auditor conducts an audit.
2. The auditor successfully completes professional development training that will enable the auditor to comply with the requirements of this chapter, chs. PI 35 and 48, and ss. 115.7915, 118.60, and 119.23, Stats.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; correction in c3d, c4d, c7d cbd made under s. 35.17, Stats., Register October 2016 No. 730; EmR1911: emerg. am. c5d, renum. c7d cbd to c7d cbd cintro.d and am., eff. 7-1-19; CR 19-095: am. c5d, renum. c7d cbd to c7d cbd cintro.d and am. Register March 2020 No. 771, eff. 4-1-20.

**PI 49.12 Quarterly reporting to parent.** A school shall report to the parent of a pupil participating in the special needs scholarship program at least quarterly using a form provided by the department. The report shall describe the implementation of the child[s] individualized education program or services plan, as modified by agreement between the school and the child[s] parent, and the pupil[s] academic progress.

**Note:** The record of implementation and progress form may be obtained at no charge from the Wisconsin department of public instruction[s] webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16.

**PI 49.13 State aid payment calculation.** The state superintendent shall make the payments under s. 115.7915 c4md and c4pd, Stats., to schools participating in the special needs scholarship program. The state superintendent may withhold payment from a school under s. 115.7915 c4md and c4pd, Stats., if the school violates this chapter or s. 115.7915, Stats. The state superintendent shall make the payments as follows:

**c1d SEPTEMBER PAYMENT.** The September payment shall be based on the number of special needs scholarship program pupils at the school reported under s. PI 49.06 c4d. The state superintendent shall calculate the September payment as 25% times the total of all of the following:

cad The full-time equivalent for full scholarship pupils multi-

plied by the per pupil payment amount determined under s. 115.7915 c4md cad, Stats.

cbd The full-time equivalent for partial scholarship pupils, as reported under s. PI 49.06 c4d cbd, multiplied by the per pupil payment amount determined under s. 115.7915 c4md ced, Stats.

ccd The prior year actual cost for pupils, as reported by the school under sub. c7d, and as calculated under s. 115.7915 c4md cad 3. and ccmd, Stats.

**c2d NOVEMBER PAYMENT.** The November payment shall be based on the number of special needs scholarship program pupils reported in the school[s] pupil count report for the third Friday in September required under s. PI 49.06 c5d cbd, unless a pupil is determined ineligible by the department. The state superintendent shall calculate the November payment as 50 percent times the amount owed for eligible pupils less the September payment received. The state superintendent shall calculate the amount owed for eligible pupils as the total of all of the following:

cad The full-time equivalent for full scholarship pupils multiplied by the per pupil payment amount determined under s. 115.7915 c4md cad, Stats.

cbd The full-time equivalent for partial scholarship pupils, as reported under s. PI 49.06 c4d cbd, multiplied by the per pupil payment amount determined under s. 115.7915 c4md ced, Stats.

ccd The prior year actual cost for pupils, as reported by the school under sub. c7d, and as calculated under s. 115.7915 c4md cad 3. and ccmd, Stats.

**c2md SUMMER SCHOOL PAYMENT.** The November payment shall include any payments due to the school for summer school instruction of special needs scholarship pupils in the immediately preceding summer as indicated in the report filed under s. 115.7915 c6d ckd, Stats., unless otherwise determined ineligible by the department.

**c3d FEBRUARY AND MAY PAYMENTS.** The February payment and May payment shall each be based on the number of special needs scholarship program pupils reported in the school[s] pupil count report for the second Friday in January required under s. PI 49.06 c5d cbd, unless a pupil is determined ineligible by the department. The state superintendent shall calculate the February and May payments as 25 percent times the total of all of the following:

cad The full-time equivalent for full scholarship pupils multiplied by the per pupil payment amount determined under s. 115.7915 c4md cad, Stats.

cbd The full-time equivalent for partial scholarship pupils, as reported under s. PI 49.06 c4d cbd, multiplied by the per pupil payment amount determined under s. 115.7915 c4md ced, Stats.

ccd The prior year actual cost for pupils, as reported by the school under sub. c7d, and as calculated under s. 115.7915 c4md cad 3. and ccmd, Stats.

**c4d CEASED INSTRUCTION.** The state superintendent may not make a September, November, or February payment to a school that has ceased instruction prior to the payment date.

**c5d ENDING A SCHOOL TERM EARLY.** The state superintendent may not make a May payment to a school that has ceased instruction prior to the end of its scheduled school term unless the school obtained prior written approval from the department to end the school term early.

**c6d AMOUNT DUE TO DEPARTMENT.** A school shall refund an amount due to the department under this chapter or s. 115.7915, Stats., as follows:

cad If the school is currently eligible to receive special needs scholarship program payments, the department shall reduce the payments made under s. 115.7915 c4md and c4pd, Stats., by the

amount owed. If reducing a payment made under s. 115.7915 c4md and c4pd, Stats., is insufficient to pay the amount owed, the school shall pay the remaining amount within 60 days of the date of the notice to the school of the amount due.

cbd If the school is not currently eligible to receive special needs scholarship program payments, the school shall refund the department within 60 days of the date of the notice to the school of the amount due.

**c7d STATEMENT OF ACTUAL COST.** cad By the third Friday in July, a school may submit a statement of actual costs on a form provided by the department for a special needs scholarship program pupil. The statement of actual costs shall calculate the actual costs for the pupil as the costs for the pupil under par. cbd less any government assistance revenue received for educational programming for the pupil. Government assistance revenue under this paragraph shall include the forgiven portion of Paycheck Protection Program loans administered by the U.S. small business administration under 15 USC 636 if the amount is forgiven by October 15 following the school year the expenses were incurred. If the payment amount for the pupil based on the statement of actual costs is less than the payment amount calculated under s. 115.7915 c4md cad 2. b., Stats., the payment for the pupil shall be calculated as specified under s. 115.7915 c4md cad 2. b., Stats.

cbd The statement of actual cost may only include costs that meet at least one of the following criteria:

1. The cost was incurred to provide the services identified in the pupil[s] individualized education program or services plan.

2. The cost was incurred to provide specially designed instruction, regardless of where the instruction is conducted, that is provided to meet the unique needs of a child with a disability, including instruction in physical education.

3. The cost was incurred to provide aids, services and other supports that are provided in regular education classes or other education-related settings to enable a child with a disability to be educated with nondisabled children to the maximum extent appropriate.

4. The cost was incurred to provide transportation or such developmental, corrective, and other supportive services as may be required to assist a child with a disability to benefit from special education, including all of the following:

a. Speech-language pathology and audiology services.

b. Interpreting services.

c. Psychological services.

d. Physical and occupational therapy.

e. Recreation, including therapeutic recreation.

f. Social work services.

g. School nursing services designed to enable a child with a disability to receive an education as described in the agreement of services required under s. 115.7915 c6d chd 1., Stats.

h. Counseling services, including rehabilitative counseling.

i. Orientation and mobility services.

j. Medical services for diagnostic and evaluative purposes only.

k. The early identification and assessment of disabling conditions in children.

5. The cost was incurred to provide services or activities for school personnel to meet the unique needs of a child with a disability.

ccd Notwithstanding par. cbd 4., the cost of a medical device that is surgically implanted or the replacement of such a device may not be included in the statement of actual cost.

cdd The statement of actual costs may only include costs that

meet the eligible education expense requirements under s. [PI 49.09 c1d](#).

ced The statement of actual costs may only include costs for a pupil incurred after the pupil is accepted into the special needs scholarship program at the school under s. [PI 49.05 c5d ccd 2.](#) or [c7rd](#).

cfid Only the school that submitted the statement of actual costs under par. [cad](#) may receive the per pupil payment based on the actual cost in the statement in the subsequent school year under subs. [c1d](#), [c2d](#), and [c3d](#).

**Note:** The statement of actual cost may be obtained at no charge from the Wisconsin department of public instruction's webpage at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**History:** [EmR1619](#): emerg. cr., eff. 6-2-16; [CR 16-005](#): cr., [Register October 2016 No. 730](#), eff. 11-1-16; [EmR1815](#): emerg. am. cintro.d, c2d cintro.d, cr. c2md, c6d, c7d, eff. 7-1-18; [EmR1911](#): emerg. am. cintro.d, cr. c1d ccd, am. c2d cintro.d, cr. c2d ccd, c2md, am. c3d cintro.d, cr. c3d ccd, c6d, c7d, eff. 7-1-19; [CR 19-095](#): am. cintro.d, cr. c1d ccd, am. c2d cintro.d, cr. c2d ccd, c2md, am. c3d cintro.d, cr. c3d ccd, c6d, c7d [Register March 2020 No. 771](#), eff. 4-1-20; correction in [c7d ccd](#) made under s. [35.17](#), Stats., [Register March 2020 No. 771](#); correction in [c7d ccd](#) made under s. [13.92 c4d cbd 7.](#), Stats., [Register January 2021 No. 781](#); [EmR2117](#): emerg. am. c7d cad, eff. 6-12-21; [CR 21-046](#): am. c7d cad [Register February 2022 No. 794](#), eff. 3-1-22.

**PI 49.14 Department authority. c1d INQUIRIES.** The department may make inquiries to ascertain the accuracy and completeness of information contained in audits or reports required under s. [115.7915](#), Stats., or this chapter. Schools and auditors shall promptly respond to inquiries made by the department.

**c2d TRAINING.** The department may provide training to school staff and auditors. The department may charge a reasonable fee for providing training under this subsection.

**c3d PUPIL CONFIDENTIALITY.** The department shall maintain pupil confidentiality at all times.

**c4d ORDER TO BAR.** The department may issue an order barring a private school from participating in the special needs scholarship program if the department determines that the school has done any of the following:

cad Failed to submit the financial audit or financial audit supplemental schedule in two or more years by the date specified in s. [PI 49.08](#).

cbd Submitted a financial audit or financial audit supplemental schedule that does not comply with the requirements under s. [PI 49.08](#) or [49.09](#) in two or more instances in the same year or in different years.

ccd Excluded liabilities, whether or not the school disputes the amount owed, from the financial information required under s. [115.7915 c6d cfd 2.](#), Stats., and s. [PI 49.04 c1md cbd](#).

cdd Included assets in the financial information filed under s. [115.7915 c6d cfd 2.](#), Stats., and s. [PI 49.04 c1md cbd](#) that exceed the assets of the school.

ced Failed to file a bond required under s. [PI 49.04](#) for 3 consecutive months after the date the bond is due.

cfid Failed to conduct background checks required under s. [PI 49.03 c4d](#) for two or more individuals.

cgd Employed an individual in violation of s. [PI 49.03 c4d ccd 1.](#) or [2.](#)

**History:** [EmR1619](#): emerg. cr., eff. 6-2-16; [CR 16-005](#): cr., [Register October 2016 No. 730](#), eff. 11-1-16; correction in [c4d cbd](#), [cgd](#) made under s. [35.17](#), Stats., [Register October 2016 No. 730](#); [EmR1815](#): emerg. am. c4d ccd, cdd, cgd, eff. 7-1-18; [EmR1911](#): emerg. am. c4d cad to [ced](#), [cgd](#), eff. 7-1-19; [CR 19-095](#): am. c4d cad to [ced](#), [cgd](#) [Register March 2020 No. 771](#), eff. 4-1-20.

**PI 49.15 Right to a request a hearing. c1d WHO MAY REQUEST.** A person or school adversely affected by an action of the department under this chapter or s. [115.7915](#), Stats., may request a contested case hearing on that action. A request for

a contested case hearing shall be filed with the office of legal services within 14 days of the date of the department[s] action.

**Note:** See s. [227.42](#), Stats. A request for a contested case hearing may be filed with the office of legal services at the following address:

Office of Legal Services  
Wisconsin Department of Public Instruction  
125 S. Webster St.  
PO Box 7841  
Madison, WI 53707-7841

**c2d REQUEST FORM.** cad A request for a contested case hearing under sub. [c1d](#) shall be in writing and shall describe all of the following:

1. The department action on which a hearing is requested.
2. The requester[s] substantial interest claimed to be adversely affected.
3. How the department[s] action adversely affected the requester[s] substantial interest.
4. The grounds for the hearing request, including each of the specific material facts or legal issues that are in dispute. Any material fact or legal issue that is not disputed shall be deemed admitted.
5. The relief sought.

cbd Upon the request of the department, the person or school who filed a request for a hearing under sub. [c1d](#) shall provide the department with any additional clarifying information the department determines is necessary to decide whether to grant or deny a hearing request.

**c3d GRANTING OR DENYING REQUEST.** cad The department shall grant or deny a request for a contested case hearing under sub. [c1d](#) within 20 days after a request is filed, unless the person or school requesting the hearing agrees to an extension of time. The department may grant a request for a contested case hearing if, upon preliminary review, it appears that all of the following apply:

1. The department has jurisdiction over the matter.
2. The request for a hearing complies with the requirements under subs. [c1d](#) and [c2d](#).
3. The requester is entitled to a hearing under s. [227.42](#), Stats.

cbd Any action taken by the department which is contested under sub. [c1d](#) shall remain in effect until the state superintendent issues a final decision and order under s. [227.47](#), Stats.

**c4d TRANSCRIPT.** cad Upon filing a written request with the department, any party in a contested case hearing may obtain a written transcript of the hearing. Except as provided in par. [cbd](#), the department shall charge the requesting party the actual cost to produce the transcript.

cbd The department may provide a written transcript free of charge to a requesting party if the requesting party demonstrates, to the department[s] satisfaction, that the requesting party is indigent and has a legal need for the transcript.

**History:** [EmR1619](#): emerg. cr., eff. 6-2-16; [CR 16-005](#): cr., [Register October 2016 No. 730](#), eff. 11-1-16; correction in [c2d cad 2.](#), [c3d cad 3.](#) made under s. [35.17](#), Stats., [Register October 2016 No. 730](#).

**PI 49.16 Summer school attendance and payment. c1d DEFINITION.** In this section, Xacademic purposesY means summer school learning experiences that are related to or similar to instruction the school offers during the regular school term or for which credit toward graduation is given.

**c2d LIST OF CLASSES.** Annually by the first weekday in May, a school shall file with the department a list of academic summer school classes and laboratory periods that the school will provide in the following summer. The department shall annually review the list to ensure the classes are for academic purposes.

**c3d PROGRAM REQUIREMENTS.** A school may count any of the following as instruction for academic purposes:

cad Music programs, lessons, sections, or clinics.

cbd Swimming instruction programs, if taught or directed by a teacher at the site of the instruction.

ccd Field trips if accompanied by a teacher and if all pupils have equal access to the field trips regardless of a pupil[s] ability to pay.

**c4d PUPIL ATTENDANCE REQUIREMENTS.** A school may include a pupil in its summer school report if the pupil was a special needs scholarship program pupil on a count date during the school year immediately preceding the summer school instruction.

**c5d REPORT.** A school counting pupils for special needs

scholarship program summer school payment purposes shall file a summer school report with the department listing the special needs scholarship program pupils who attended summer school and the number of days the pupils attended. The school shall report this information on a form provided by the department.

**c6d CHOICE PAYMENT.** A school may not receive a summer school payment under ss. 118.60 c4md or 119.23 c4md, Stats., and a summer school payment under s. 115.7915 c4pd, Stats., for the same pupil in the same school year.

**Note:** A summer school report form may be obtained at no charge from the Wisconsin department of public instruction[s] website at <http://dpi.wi.gov/sms/special-needs-scholarship>.

**History:** EmR1619: emerg. cr., eff. 6-2-16; CR 16-005: cr., Register October 2016 No. 730, eff. 11-1-16; correction in c2d cad 2., c3d cad 3. made under s. 35.17, Stats., Register October 2016 No. 730; EmR1815: emerg. cr., eff. 7-1-18; EmR1911: emerg. cr., eff. 7-1-19; CR 19-095: cr. Register March 2020 No. 771, eff. 4-1-20.