

TO: DPI Superintendent Carolyn Stanford Taylor

DATE: February 1, 2021

FROM: Sharon L. Schmeling, Executive Director

RE: Hearing on Administrative Rule SS 007-21 – Parental Choice and Special Needs Scholarship Offsetting Revenue

Administrative Rule change SS 007-21 is desperately needed by private K-12 schools enrolled in one of the state's three parental choice programs or the special needs scholarship program, who have received federal PPP loans since spring 2020 and may receive them in 2021, or later.

The loans were provided by Congress to help private businesses cover employee payroll while separate special aid was provided to public schools in response to the Coronavirus pandemic. Private schools are non-profit employers whose economic activity is as vital to local communities as the local bars or restaurants, who also received PPP. The private schools economic stability is perhaps even more critical because of the role they play in fostering an educated future society by investing in the teaching, care and nurturing of future adults.

By exempting PPP loans from being categorized as offsetting revenue in the choice programs and the SNSP, you help guarantee that these schools get the funds promised by Congress, to supplement their balance sheets. The PPP was not provided to replace state aid. They are supplemental money because other school funds have been diverted to cover Pandemic-related, unexpected costs, such as: PPE; laptop computers; Plexiglass barriers; rental of overflow classrooms to allow physical distancing; busing costs not covered by state law; and, infrastructure changes to air ventilation and windows necessitated to prevent the spread of COVID-19.

The PPP are loans, which may or may not be forgiven, depending on whether or not the school applies for forgiveness, and whether or not forgiveness is granted by the federal government. Many schools have not even begun the process of forgiveness of loans made available in spring 2020 because the rules for it were changed under the second Coronavirus relief act passed in late December 2020.

Because the program and the school's accounting are so in flux by this timeline, the state rules should not count the PPP as federal aid, whether or not the loans are ultimately forgiven. This should apply to any and all PPP loans granted in 2020 and going forward indefinitely for other years. The timeframe of the Coronavirus, and Congress's ongoing response to it, are uncertain and many rounds of PPP may be necessitated, and still forthcoming.

Finally, in a bit of housekeeping, we note the following:

The statement of scope lists the Racine Parental Choice Program in item 3 but fails to reference it again in item 4(a) and 6. The sections are reproduced below and added in ALL CAPITAL LETTERS the text that is missing.

4(a).: "Further, the Department is given statutory authority to promulgate rules under PI 48 with respect to the RACINE and statewide parental choice programs:"

And

Archdiocese of Milwaukee

Association of Christian
Schools International

Christian Schools
International

Diocese of Green Bay

Diocese of LaCrosse

Diocese of Madison

Diocese of Superior

Lutheran Church
Missouri Synod
North Wisconsin District

Lutheran Church
Missouri Synod
South Wisconsin District

Wisconsin Association
of Independent Schools

Wisconsin Conference
of Seventh Day Adventists

Wisconsin Evangelical
Lutheran Synod
Northern Wisconsin District

Wisconsin Evangelical
Lutheran Synod
Western Wisconsin District

Wisconsin Evangelical
Lutheran Synod
Southeastern Wisconsin
District

Associate Members

PHONE
(608) 287-1224

E-MAIL
wcris.staff@wcris.org

WEBSITE
www.wcris.org

ADDRESS
110 East Main Street
Suite 802
Madison, WI 53703

"6. A description of all of the entities that will be affected by the proposed rule.

Private schools participating in the Milwaukee Parental Choice Program, the RACINE PARENTAL CHOICE PROGRAM, the Wisconsin Parental Choice Program, and the Special Needs Scholarship Program may be impacted by this rule."

This glitch was brought to the DPI's attention after the statement of scope was issued. But, the statutes prevent the DPI from communicating about the proposed rule, so we offer the clarification here to ensure there are no technical problems with what is being proposed.

Thank you for this opportunity to comment.