



Legislative Fiscal Bureau

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May 20, 1999

Joint Committee on Finance

Paper #792

Knowledge and Concepts Examinations (DPI -- Assessments and Licensing)

[LFB 1999-01 Budget Summary: Page 501, #2]

CURRENT LAW

School boards and operators of Milwaukee charter schools are required to administer knowledge and concepts tests in grades four and eight and in grade ten until the 2001-02 school year. Under 1997 Act 237, beginning with the 2002-03 school year, if a school board administers the state's 4th or 8th grade examination, it may not promote a pupil to 5th or 9th grade if the pupil does not score at the basic level or above in each subject area on the 4th and 8th grade knowledge and concepts examination. If a school board administers its own 4th or 8th grade examination, it may not promote a pupil to 5th or 9th grade unless the pupil achieves a passing score, as determined by the school board, on the examinations. School boards are required to provide a pupil with at least two opportunities to achieve a score sufficient for promotion on the 4th or 8th grade examination.

A school board may determine not to administer an examination to a pupil enrolled in a special education program or a limited-English speaking pupil, and a school board may modify the format and administration of an examination for these pupils or permit a pupil to be examined in his or her native language. Additionally, school boards are required to excuse a pupil from taking the 4th or 8th grade examination upon the request of the pupil's parent or guardian. Each school board is required to develop alternative criteria for evaluating a pupil who did not take the 4th or 8th grade examination that was required for promotion to 5th or 9th grade. A pupil who did not take the examination but satisfies the alternative criteria may be promoted to the next grade.

A school board is not required to administer the state's 4th and 8th grade examinations if the school board administers its own 4th and 8th grade examinations, the school board provides the state superintendent with statistical correlations of those examinations with the state's examinations and the federal Department of Education approves.

GOVERNOR

Provide \$82,400 GPR in 1999-00 and \$142,400 GPR in 2000-01 above base level funding of \$1,770,000 GPR, as an inflationary adjustment to the contract costs for the administration of the 4th, 8th and 10th grade knowledge and concepts examinations and the career interest inventory for 8th and 10th grade pupils. Repeal the current 2000-01 sunset date for the 10th grade knowledge and concepts examination.

Allow operators of charter schools associated with the City of Milwaukee, UWM or MATC to develop or adopt their own 4th and 8th grade knowledge and concepts examinations. Require an operator of such a charter school to notify DPI if it develops or adopts its own test. Further, specify that operators of these charter schools would be subject to a current law requirement that DPI be provided with statistical correlations of a local examination with the state's examination and U.S. Department of Education approval. Clarify that all current law and bill provisions related to the 4th, 8th and 10th grade knowledge and concepts examinations would apply to these Milwaukee charter schools, including provisions related to: (a) the promotion of a 4th or 8th grade pupil to 5th or 9th grade; (b) administration of the test to children with disabilities and limited-English speaking (LES) pupils, and (c) development and use of alternative criteria for those children with disabilities or LES pupils excused from taking the test. A modification to the bill is needed to clarify the Governor's intent that parents or guardians of pupils in these Milwaukee charter schools may excuse their children from these tests.

DISCUSSION POINTS

1. Currently, the 4th, 8th and 10th grade knowledge and concepts examinations are designed to evaluate the level of knowledge attained by pupils in the areas of mathematics, science, social studies, reading and language arts/writing. Under the provisions of 1997 Act 237, DPI is required to develop a 4th and 8th grade examination which will be used to determine grade promotion beginning in the 2002-03 school year.

2. As part of its 1999-01 agency budget submission, DPI requested \$2,465,000 GPR in 1999-00 and \$3,505,000 GPR in 2000-01 for the development of the fourth and eighth grade exams that would be used to determine grade promotion. The Department indicated that the current tests do not provide a sufficient number and range of test items in the various subjects to determine promotion to the next grade; therefore, it is necessary to develop new examinations. The funding requested would be used to develop the tests (\$3,280,000), conduct field testing (\$2,240,000), pay for costs associated with an advisory committee (\$100,000), purchase materials and services (\$100,000) and provide public notification (\$250,000).

3. The Governor's budget bill does not include funding for the development of examinations to be used for grade promotion from the 4th and 8th grades. Staff from the executive budget office indicate that funding was not provided for this purpose because the Governor recognizes that there will probably be further discussion on this issue and legislative changes may

occur.

4. Proponents of a state test for promotion have argued that statewide exams provide the only comprehensive and standardized benchmark for pupil performance. They maintain that pupils, parents and schools should be held accountable for academic performance, thereby raising the expectations for Wisconsin pupils and the nationwide reputation of the state's K-12 educational system.

5. Conversely, a number of concerns have been raised by individuals testifying before the Committee relating to the current law requirements for grade promotion from the 4th and 8th grades. Specifically, individuals have argued that the use of the 4th and 8th grade exams as the sole factor in the decision to retain pupils in those grades places too much emphasis on a single, high-stakes performance, rather than the complete picture of a pupil's abilities and knowledge, including a broad array of pupil performance indicators, such as grade point average, general test scores, extracurricular activities and behavior indicators.

6. If the Committee wishes to maintain current law and require DPI to develop a 4th and 8th grade examination used to determine grade promotion it could provide \$2,465,000 GPR in 1999-00 and \$3,505,000 GPR in 2000-01 for the development for the tests.

7. Alternatively, if the Committee wishes to broaden the criteria upon which promotion from 4th and 8th grades would be based, it could require school districts to consider other factors in determining grade promotion, as proposed under 1999 AB 94 or 1999 SB 98. One option would be to require school boards to adopt a written policy specifying the criteria for promoting a pupil from 4th to 5th grade or from 8th to 9th grade. Under this alternative, these criteria would be required to include: (a) the pupil's score on the 4th and 8th grade examination, unless the pupil is excused from taking the test; (b) the pupil's academic performance; (c) the recommendations of teachers; and (d) any other criteria specified by the school board. The Committee could then require that beginning on September 1, 2002, a school board would be prohibited from promoting a pupil from 4th to 5th grade or from 8th to 9th grade unless the pupil satisfied the criteria specified in the school board's policy. Under this option, DPI has indicated that it could continue to use the current 4th and 8th grade knowledge and concepts examinations, and therefore the additional costs associated with developing new examinations would be avoided.

8. The Governor's bill clarifies that all current law provisions related to the 4th, 8th and 10th grade knowledge and concepts examinations would apply to charter schools associated with the City of Milwaukee, UWM or MATC. However, a modification to the bill is needed to clarify the Governor's intent that the current law provisions relating to parental opt-out from the test would also apply to parents or guardians of pupils in these Milwaukee charter schools.

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Gov Agency: Public Instruction—Administrative, Funding and Transfers
Library System Aids

Recommendations:

Paper No. 800 Alternatives: A1(d) and B1

Comments: Look for Senator Shibilski to make this motion. Part A relates to funding for library systems. LFB has given several options for percentages that range from 10% to 13%. Any of these percentages would be acceptable to the Wisconsin Library Association, but obviously they would prefer the higher end versions. A 12% increase (which is reflected in (d)), would be a big jump for libraries statewide. Last year, they were funded at 10% of their operating expenditures. The additional 2% would make a huge difference.

Realistically, I doubt there will be any support for an increase. The governor has proposed maintaining base level funding (\$13.2 million), which translates into 9.5% in 1999-00 and 8.9% in 2000-01. Without 9 votes, the libraries will actually end up with a decrease percentage-wise. So, hopefully the Dems will all fall in line at any level increase ranging from 10% to 13%. It's important to take the vote here and show your support for libraries.

Part B relates to the library system aid formula. This is the part that gets kind of convoluted. The alternative in the paper (B1) reflects the provisions included in DPI's budget request which were recently incorporated into Senate Bill 66. The formula changes would only become effective if the total percentage of operating expenditures reaches 11.25%. This is not likely to happen in this budget. The problem is that the formula places too much emphasis on population (85%). Milwaukee's preference would be to reduce the population factor to 75%--this would help their share of the funding from eroding away over time as Milwaukee loses population.

If 11.25% were ever attained, Milwaukee would realize an increase initially. Dorinda thinks you should support a motion for the formula change but speak to the problems with the population factor. Milwaukee is out there alone on the population issue, so WLA would likely be all over you if you tried to change the formula now. Best just to vote for it, and try to deal with it later. I have more info on hand if you need it.

Prepared by: Julie



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May 20, 1999

Joint Committee on Finance

Paper #800

Library System Aids (DPI -- Administrative, Funding and Transfers)

CURRENT LAW

The amount appropriated for aid to the state's 17 public library systems was \$13,249,800 GPR in 1998-99. State aid is distributed to library systems through a formula that takes into account system size, local library costs and population.

GOVERNOR

Maintain base level funding of \$13,249,800 GPR annually.

DISCUSSION POINTS

1. The library system aid formula distributes aid as follows: (a) \$8 for each square mile of territory within a single county, or \$20 for each square mile of territory in a system containing two or more counties; and (b) 4% of total local expenditures in the second preceding calendar year. These factors are summed for all systems and subtracted from the total amount provided for library system aid. The difference between the appropriated amount and the sum of the area and expenditure factors is divided by the total population in all systems to arrive at a per capita amount which is then used to distribute the amount of aid remaining in the appropriation. Each system's total amount of aid is derived by multiplying the per capita amount (\$1.374 for 1998-99 aid) by its population and adding this product to the system's area and expenditure factors.

2. Until 1992-93, the amount appropriated for library system aids was targeted, by statute, at 13% of the total operating expenditures from local and county sources for public library services in the preceding year. However, because the actual percentage repeatedly fell below the 13% target, the 1993-95 budget repealed the target. The table below provides the amount of state aid and local expenditures for public library systems from 1988-89 through 1998-99. In addition, the table indicates the percentage change in state funding and local expenditures and library system

aid as a percentage of local library expenditures for those years.

**Public Library System Funding Data
1988-89 through 1998-99**

<u>Fiscal Year</u>	<u>State Aid to Public Library Systems</u>	<u>Percentage Change</u>	<u>Calendar Year</u>	<u>Municipal and County Expenditures</u>	<u>Percentage Change</u>	<u>State Aid as Percentage of Prior Year Local Spending</u>
1988-89	\$8,773,300	N.A.	1988	\$74,321,400	N.A.	11.80%
1989-90	9,563,300	9.00%	1989	78,014,700	4.97%	12.26
1990-91	10,125,600	5.88	1990	83,866,000	7.50	12.07
1991-92	10,756,700	6.23	1991	89,060,600	6.19	12.08
1992-93	11,072,200	2.93	1992	95,209,900	6.90	11.63
1993-94	11,538,200	4.21	1993	101,402,000	6.50	11.38
1994-95	11,722,200	1.59	1994	107,514,300	6.03	10.90
1995-96	11,722,200	0.00	1995	112,166,200	4.33	10.45
1996-97	11,722,200	0.00	1996	118,780,000	5.90	9.87
1997-98	12,863,800	9.74	1997	124,853,200	5.11	10.30
1998-99	13,249,800	3.00	1998	132,150,000	5.84	10.03

3. Under 1997 Act 150 the Department of Public Instruction (DPI) was required to include in its 1999-01 biennial budget submission, a request for funding equal to 13% of the total operating expenditures from local and county sources in the calendar year immediately preceding the calendar year for which aid would be paid. The Department's 1999-01 biennial budget submission included a request for funding equal to 13% of total operating expenditures, which was estimated at that time to cost an additional \$5,141,200 GPR in 1999-00 and \$6,244,700 GPR in 2000-01.

4. The Governor's budget bill would maintain base level funding for library system aid for 1999-01. Based on its projections of municipal and county expenditures, DPI estimates that state funding for library system aids under the bill would be approximately 9.5% in 1999-00 and 8.9% in 2000-01 of the prior year's total operating expenditures.

5. The Department, using preliminary 1998 expenditure data, has reestimated the amount of funding needed to fund 13% of total operating local expenditures. Based on this reestimate, an additional \$4,960,500 GPR in 1999-00 and \$6,053,100 GPR in 2000-01 would be needed to fund 13% of total local expenditures. These amounts are \$180,700 in 1999-00 and \$191,600 in 2000-01 less than originally requested.

6. Under current law, as enacted under 1997 Act 150, the library system formula would be modified in the second calendar year following the first fiscal year that the total amount of state aid appropriated for public library system equals at least 13% of the total local operating expenditures. Under the formula modification, the expenditure factor in the state aid formula would be reduced from 4% to 2% of the total local operating expenditures in determining the expenditure

component of state library system aids.

7. Under the 1997 Act 150 change, less of the state aid would be distributed based on expenditures. The funding no longer distributed for expenditures would be available for distribution under the population factor of the formula which would increase the per capita payment. As a result, library systems with the larger populations and lower local expenditures would receive more funding under the new distribution method, while systems with high expenditure levels and smaller populations could receive a smaller amount of funding. Based on data for aid year 1998-99, it is estimated that if funding had been provided equal to 13% of the prior year local spending level, and if this alternative aid formula had been in effect, then approximately 15% of the funding would have been distributed based on expenditures, 6% based on area and 79% based on population. This compares to the current law aid formula in 1998-99, which if it had been funded at 13% of the prior year local spending level, would have distributed 29% of the funding based on expenditures, 6% based on area and 65% based on population.

8. In its 1999-01 budget request, DPI included a request to modify the current formula used to distribute library aid. A separate bill, 1999 Senate Bill 66, incorporates DPI's proposed formula modification. The Department has requested that the current formula for distribution of the state aid to library system be repealed and recreated in two stages. First, until the total amount of state funding equals at least 11.25% of the total operating expenditures for public library services from local and county sources, the amount of state aid received by each system would increase at the same percentage as the increase in the public library system aid appropriation. For example, if state aid to public library systems increased by 5% over the amount appropriated for 1998-99, state aid to each individual library system would increase by 5% in 1999-00 over the amount received in 1998-99. Under the first stage of the formula modification, the funding increases provided to library systems would no longer take into account system size, local library costs and population, rather the prior year aid distribution would be locked in and any increases would be tied directly to state funding level increases.

9. Under SB 66 and DPI's budget request proposal, after the total amount of state appropriated funding equals at least 11.25% of the total operating expenditures for public library services from local and county sources, the distribution of funding would again be modified. Under the new formula the amount paid to a system would determined by adding all of the following: (a) the system's percentage of the state's population multiplied by 85% of the total amount appropriated for library aid; (b) the system's percentage of the state's area multiplied by 7.5% of the total amount appropriated for libraries; and (c) the system's percentage of current fiscal year shared revenue payments multiplied by 7.5% of the total amount appropriated for library aid. Under this formula modification, most of the funding (85%) would be distributed based on population; therefore, systems with greater populations would receive the majority of the funding. In addition, local expenditures for libraries would no longer be considered. Instead 7.5% of the funding would be distributed based on area and 7.5% based on shared revenue payment estimates.

10. Staff from DPI note that under the current formula, aid paid based on area and population remains mostly constant from year to year. However, aid paid based on expenditures

varies by system annually. As a result, higher spending systems receive a larger percentage of aid increases, while systems with relatively low library expenditures receive lower percentages of state aid increases. Staff indicate that under its request estimated shared revenue payments were used instead of expenditures, because these payment amounts do not fluctuate significantly from year to year and the payments are based in part on an equalizing factor.

11. Because any modification to the formula that distributes library system aids will result in a redistribution of aid between library systems, it may be desirable for the specifics of the aid formula to be established through separate legislation. However, the overall funding level for these aids would need to be determined as part of the biennial budget process.

12. The Committee could consider providing additional funding to attain certain percentages of total operating expenditures for library system aid. Alternatives that could be considered would be to increase the amount of funding for library system aids to attain percentage levels of support equal to 10, 11, 11.25, 12 or 13 percent of estimated total operating expenditures from local and county sources prior the calendar year in which the aid would be paid.

ALTERNATIVES

A. Funding for Library Systems

1. Increase public library system aid by providing funding for one of the following percentages of total operating expenditures.

	Aid as a % of <u>Local Expenditures</u>	<u>GPR Funding Amount Calculated as a Change to the Bill</u>		
		<u>1999-00</u>	<u>2000-01</u>	<u>Total</u>
a.	10%	\$758,100	\$1,598,600	\$2,356,700
b.	11	2,158,900	3,083,400	5,242,300
c.	11.25	2,509,100	3,454,600	5,963,700
d.	12	3,559,700	4,568,200	8,127,900
e.	13	4,960,500	6,053,100	11,013,600

2. Maintain current law. Annual funding for state aid to public library systems would remain at \$13,249,800.

B. Formula for Distribution of Library System Aid

1. Modify the current law formula for distribution of state aid to public library systems by adopting the provisions of DPI's agency budget request, which have been incorporated into Senate Bill 66. Under this alternative, until the total amount of state funding equals at least 11.25% of the total operating expenditures for public library services from local and county sources in the calendar year ending in that fiscal year, the amount of state aid received by each system would

increase at the same percentage as the increase in the public library system aid appropriation. Then, after the total amount of state appropriated funding equals at least 11.25% of the total operating expenditures for public library services from local and county sources in the calendar year ending in that fiscal year, the distribution of funding would again be modified. Under the new formula the amount paid to a system would be determined by adding all of the following: (a) the system's percentage of the state's population multiplied by 85% of the total amount appropriated for library aid; (b) the system's percentage of the state's area multiplied by 7.5% of the total amount appropriated for libraries; and (c) the system's percentage of current fiscal year shared revenue payments multiplied by 7.5% of the total amount appropriated for library aid.

2. Maintain current law.

Prepared by: Tricia Collins

MO# A - (b) + (d) - 2nd yr
and B-1

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 8 NO 8 ABS 0

MO# B 1

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 8 NO 8 ABS

MO# A 1 A

2 BURKE	Y	N	A
DECKER	Y	N	A
1 JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE NO ABS

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Gov Agency: Public Instruction—Administrative, Funding and Transfers
Badgerlink

Recommendations:

Paper No. 801 **Alternative 3**

Comments: This motion would fully fund Badgerlink with TEACH funds. The governor did not include this in his budget, but has since worked out the deal to fund it through TEACH. Gard may try to move Alt. 4 which would fund it partly with TEACH and partly with federal LSTA funds. This is not preferable because this federal money is also used for grants to libraries or staff, thus reducing funding for other library related services.

Prepared by: **Julie**



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May 20, 1999

Joint Committee on Finance

Paper #801

BadgerLink (DPI -- Administrative, Funding and Transfers)

CURRENT LAW

The BadgerLink project provides access to informational resources through the Internet for schools, libraries and state residents that have existing telecommunications services and access to the Internet and is provided through the Division for Libraries and Community Learning in the Department of Public Instruction (DPI). Informational resources that can be accessed through the BadgerLink web page include: (a) summaries of 4,000 magazines and journals and 2,000 full-text magazines and journals; (b) WISCAT, a statewide library catalog that lists over 29 million library holdings from 1,137 contributing libraries; (c) a searchable videocassette catalog including over 7,000 titles available for loan; (d) the Wisconsin library directory; (e) Wisconsin library web sites; (f) library resource lists; and (g) governmental sites.

Funding for the magazines and journals component of BadgerLink is currently provided with federal funds provided through the Library Services and Technology Act (LSTA). Funding for WISCAT is provided through LSTA funding and fees. The remaining BadgerLink resources are maintained by Division staff with base funding and positions. Current federal funding will no longer be provided for the magazines and journal component of the BadgerLink project after December, 1999.

GOVERNOR

No provision.

DISCUSSION POINTS

1. The BadgerLink project was developed out of recommendations, from the February, 1998, Library Technology Planning Conference sponsored by the DPI and the Department of the

Administration (DOA), for statewide licensing of databases and access to information resources regardless of a library's location.

2. The initial funding for the BadgerLink project was provided through federal Library Services and Technology Act (LSTA) monies. Due to a change the timing of the grant cycle, DPI was able to capture 18 months of federal LSTA funding, which it decided to use to fund the statewide contract costs for the magazines and journals accessible through the BadgerLink project. The federal moneys will fund the statewide contract costs from July 1, 1998 to December, 1999. The Department allocated \$1.8 million FED in federal fiscal year 1997-98 and \$300,000 FED in federal fiscal year 1998-99 for this purpose.

3. As part of its 1999-01 biennial budget request, DPI requested \$836,000 GPR in 1999-00 and \$1,700,000 GPR in 2000-01 to continue providing full-text and summaries of magazines and journal services through a statewide contract beginning after December, 1999, when the federal funding would no longer be available for this component of the BadgerLink project.

4. The Governor did not recommend any funding for this service as part of the 1999-01 budget bill. However, subsequent to the budget bill's introduction, the Secretary of Administration submitted a letter to the Committee recommending that the project be funded through an additional assessment on telecommunications providers that could be passed through to telecommunications customers. The funding source proposed for this portion of BadgerLink would be the same funding source as currently provided for the TEACH Board telecommunication access program. Assessments for BadgerLink would be in addition to assessments for the TEACH program and each program would be funded through separate appropriations under the TEACH Board. Under the Secretary's recommendation, the TEACH Board and DPI would be required to jointly contract to provide the statewide access through the Internet to these information sources; however, DPI would administer the program.

5. One could question whether a project that was developed with one-time federal funding without specific legislative authorization and with a \$1.7 million annual cost, should become a state-funded project. The state currently provides over \$12 million GPR annually for library system aids and funding for technology infrastructure for library boards under TEACH Board programs. In addition, libraries continue to receive federal LSTA funding which can be used to fund technology projects. Arguably, if statewide contracting for these databases is viewed as a priority, current library funding could be reallocated to fund this project.

6. On the other hand, officials from DPI note that by signing a statewide contract for access to magazines and journals the state receives a number of benefits including: (a) statewide access to informational resources at various locations such as libraries, schools, homes and offices; and (b) cost savings when compared to the cost if individual libraries purchase the resources. DPI estimates that it would cost local libraries \$50 million to purchase these products individually as compared to the \$2.1 million statewide contracting costs. In addition, staff from DPI note that the BadgerLink project complements the TEACH program and the federal E-rate program, which assist libraries and schools in connecting to the Internet, by providing content to be accessed over the

Internet. According to DPI, as of April 26, 1999, there have been approximately 6.5 million searches of the magazines and journal databases on BadgerLink.

7. If the Committee wishes to provide funding for the costs of contracting for statewide access to magazines and journal, it could consider a number of funding alternatives. First, the Committee could consider the Secretary of Administration's suggestion to fund the contract costs through assessments on telecommunications providers that could be passed on to customers. If funded through assessments, the Committee may wish to consider whether it is necessary to involve the TEACH Board in the program since it is not necessary to pass the money through the TEACH Board. Instead, assessments could be collected by the Public Service Commission and provided directly to DPI. However, under this alternative, the Committee may wish to note that an additional \$2.5 million over the 1999-01 biennium would be assessed and most likely passed on to customers. This amount would be in addition to the estimated \$26.3 million that would be assessed over the 1999-01 biennium for other programs in the budget that would be funded from these assessments.

8. A second alternative the Committee could consider is funding the project with general purpose revenue. Because the pass-through assessment recommended by the Secretary of Administration would be added to an assessment that affects millions of telephone customers and has reached a level similar to that of other general fund taxes, consideration could be given to funding this project from the general fund.

9. Additionally, the Committee could consider funding a portion of the contracting costs with GPR and require DPI to fund a portion with federal LSTA funds. The federal LSTA program has six purposes: (a) establishing or enhancing electronic linkages among or between libraries; (b) linking libraries electronically with educational, social or informational services; (c) assisting libraries in accessing information through electronic networks; (d) paying costs for libraries to acquire or share computer systems and telecommunications technology; (e) encouraging libraries to establish consortia and share resources; and (f) targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities. Under that federal act, the funding of statewide contract costs is an allowable use of the federal monies. Currently, DPI has allocated \$535,000 FED (LSTA) in 1999 to fund the WISCAT component of BadgerLink, and as noted above DPI has used \$2.1 million of LSTA money to fund the initial costs of the statewide contract.

10. For calendar year 2000 grants, approximately \$2.6 million under LSTA will be available to fund technology projects, resource sharing projects, targeted services and administrative costs. The preliminary budget prepared by DPI indicates that approximately \$1.4 million would be used to fund technology projects, approximately \$242,000 for resource sharing, \$848,000 for targeted services and \$102,000 for administrative costs. Of the \$1.4 million allocated for technology, \$619,000 would be allocated to WISCAT, \$88,000 would be allocated for development and initial funding a statewide demonstration project that would link automation systems; \$400,000 would be distributed based on formula to 17 library systems for technology projects; and the remainder would be allocated to statewide library projects administered by DPI.

11. Consideration could be given to requiring DPI to allocate \$200,000 FED in 2000-01, for a portion of the costs of the statewide contract for access to magazines and journals. This would require DPI to fund approximately 12% of the ongoing cost of BadgerLink in 2000-01 from their base resources of federal monies or other sources of funding if available. Arguably, if the statewide contract is a priority for libraries and saves them funding as indicated by DPI, reallocation of the federal funding could be accomplished. However, officials from DPI have stated that if federal funding is used for the state contract, grants to libraries or staff within the Department will be reduced because funding will no longer be available to fund these items. In addition, staff note that currently LSTA funds are allocated for the WISCAT portion of BadgerLink.

ALTERNATIVES

1. *GPR Funding.* Provide \$836,000 GPR in 1999-00 and \$1,700,000 GPR in 2000-01 in a new sum certain appropriation under DPI to fund the BadgerLink statewide contract for magazines and journals.

<u>Alternative 1</u>	<u>GPR</u>
1999-01 FUNDING (Change to Bill)	\$2,536,000

2. *GPR Funding With Partial FED Offset.* Provide \$836,000 GPR in 1999-00 and \$1,500,000 GPR in 2000-01 in a new sum certain appropriation under DPI to fund the BadgerLink statewide contract for magazines and journals. Require DPI to allocate other funding sources equal to \$200,000 in 2000-01 to ensure that the contract costs are fully funded.

<u>Alternative 2</u>	<u>GPR</u>
1999-01 FUNDING (Change to Bill)	\$2,336,000

3. *SEG Funding.* Provide \$836,000 SEG in 1999-00 and \$1,700,000 SEG in 2000-01 to in a new sum certain appropriation under DPI to fund the BadgerLink contract. Provide that SEG funding would be from telecommunications provider contributions to the universal service fund that could be passed through to customers and would be assessed by the PSC.

<u>Alternative 3</u>	<u>SEG</u>
1999-01 FUNDING (Change to Bill)	\$2,536,000

4. *SEG Funding with Partial FED Offset.* Provide \$836,000 SEG in 1999-00 and \$1,500,000 SEG in 2000-01 in a new sum certain appropriation under DPI to fund the BadgerLink statewide contract for magazines and journals. Provide that SEG funding would be from telecommunications provider contributions to the universal service fund that could be passed through to customers and would be assessed by the PSC. Require DPI to allocate other funding

sources equal to \$200,000 in 2000-01 to ensure that the contract costs are fully funded.

Alternative 4	SEG
1999-01 FUNDING (Change to Bill)	\$2,336,000

5. Maintain current law.

Prepared by: Tricia Collins

MO# Alt 4

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	Y	<input checked="" type="radio"/> N	A
JAUCH	Y	<input checked="" type="radio"/> N	A
MOORE	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
SHIBILSKI	Y	<input checked="" type="radio"/> N	A
PLACHE	Y	<input checked="" type="radio"/> N	A
COWLES	Y	<input checked="" type="radio"/> N	A
PANZER	Y	<input checked="" type="radio"/> N	A
GARD	<input checked="" type="radio"/> Y	N	A
PORTER	<input checked="" type="radio"/> Y	N	A
KAUFERT	<input checked="" type="radio"/> Y	N	A
ALBERS	<input checked="" type="radio"/> Y	N	A
DUFF	<input checked="" type="radio"/> Y	N	A
WARD	<input checked="" type="radio"/> Y	N	A
HUBER	Y	<input checked="" type="radio"/> N	A
RILEY	Y	<input checked="" type="radio"/> N	A

AYE 7 NO 9 ABS _____

MO# Alt 3

BURKE	<input checked="" type="radio"/> Y	N	A
DECKER	<input checked="" type="radio"/> Y	N	A
JAUCH	<input checked="" type="radio"/> Y	N	A
MOORE	<input checked="" type="radio"/> Y	N	A
SHIBILSKI	<input checked="" type="radio"/> Y	N	A
PLACHE	<input checked="" type="radio"/> Y	N	A
COWLES	Y	<input checked="" type="radio"/> N	A
PANZER	<input checked="" type="radio"/> Y	N	A
GARD	Y	<input checked="" type="radio"/> N	A
PORTER	<input checked="" type="radio"/> Y	N	A
KAUFERT	<input checked="" type="radio"/> Y	N	A
ALBERS	<input checked="" type="radio"/> Y	N	A
DUFF	Y	<input checked="" type="radio"/> N	A
WARD	<input checked="" type="radio"/> Y	N	A
HUBER	<input checked="" type="radio"/> Y	N	A
RILEY	<input checked="" type="radio"/> Y	N	A

AYE 13 NO 3 ABS 0

Gov Agency: Public Instruction—Administrative, Funding and Transfers
School Accountability Report

Recommendations:

Paper No. 802 Alternative 2

Comments: This funding is for DPI's development of an Internet-bases school accountability report. Alt. 2 gives them all the money up front in the first year of the biennium. DPI would prefer to have the money all at once so they can get going on the project. The funding would end after the first year and, presumably, DPI will be finished with the project by then. Alt. 1 would also be okay. It spreads the money out over the biennium.

Prepared by: Julie



Legislative Fiscal Bureau

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May 20, 1999

Joint Committee on Finance

Paper #802

School Accountability Report (DPI -- Administrative, Funding and Transfers)

[LFB 1999-01 Budget Summary: Page 508, #9]

CURRENT LAW

The Department of Public Instruction (DPI) publishes an annual school performance report that contains information about the performance of students, schools and school districts. The report includes information on: (a) student performance on assessments; (b) school district staffing ratios and high school graduation requirements; (c) school district revenues and expenditures; and (d) student enrollment, attendance, suspension, expulsion, dropouts and graduations. Information from the school performance report is available on DPI's website.

GOVERNOR

Provide \$10,000 annually for DPI's development of an Internet-based school accountability report. Place the funding in DPI's general program operations appropriation.

DISCUSSION POINTS

1. Currently, DPI collects, publishes and places on the Internet annual school performance data. (<http://www.dpi.state.wi.us/dpi/spr/index.html>). This information is arranged by topical areas such as performance indicators, student profiles, district profiles and financial information. Most of the data, except for some assessment statistics, is presented in statewide totals or averages for each topic. However, under each topic, individual district information is available in a downloadable Excel file format. Consequently, under DPI's current format, if an individual wanted to see via the Internet all of the information reported for one school district, he or she has to look at each topic individually and compile the data.

2. The Executive Budget Book indicates that Governor intends that the additional

funding of \$10,000 GPR annually would be used by DPI to develop an Internet-based individual school report card designed to allow for interdistrict comparisons.

3. Staff from DPI indicate that the agency will most likely hire a consultant to make the Governor's recommended changes to the current way it reports school data on the Internet. While plans are not finalized, possible modifications to DPI's current Internet report format could include: (a) creating a one or two page report for each school district and/or school that would list the data collected from each district or school; (b) adding the ability to search for data by school district and/or school; (c) a report format that would allow for comparisons of data by schools with similar characteristics such as enrollment; and (d) the use of graphics in presenting data.

4. If the Committee wishes to approve funding for this initiative, consideration could be given to whether funding should be on-going. Arguably, once the development of the Internet-base report is completed, continued funding for the project would not be needed. To remove on-going funding for this project, the second year funding could be shifted to the first year of the biennium. By placing all of the funding in the first year, the project may be completed more quickly.

5. Alternatively, the Committee could decide that additional funding should not be provided for the initiative. If DPI views this project as a priority, it could reallocate base level funding to hire a consultant to work on the project. This funding would represent 0.4% of DPI's base level supplies and services funding in this appropriation.

ALTERNATIVES

1. Approve the Governor's recommendation to provide DPI with \$10,000 GPR annually for the development of a school accountability report.
2. Modify the Governor's recommendation by transferring the \$10,000 GPR provided in 2000-01 to 1999-00.
3. Maintain current law.

Alternative 3	GPR
1999-01 FUNDING (Change to Bill)	- \$20,000

Prep:	MO#	BURKE DECKER JAUCH MOORE SHIBILSKI PLACHE COWLES PANZER GARD PORTER KAUFERT ALBERS DUFF WARD HUBER RILEY	A A A A A A A A A A N N N N N N N N N N Y Y Y Y Y Y Y Y Y Y A A A A A A A A N N N N N N N N Y Y Y Y Y Y Y Y A A A A A A A A N N N N N N N N Y Y Y Y Y Y Y Y	AYE ___ NO ___ ABS ___
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Gov Agency: Public Instruction—Administrative, Funding and Transfers
Program Revenue Reestimates

Recommendations:

Paper No. 803 Approve Modification

Comments: DPI already got this money under 16.515. This modification corrects the error of duplication in the governor's budget.

Prepared by: Julie



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May 20, 1999

Joint Committee on Finance

Paper #803

Program Revenue Reestimates (DPI -- Administrative, Funding and Transfers)

[LFB 1999-01 Budget Summary: Page 507, #6]

CURRENT LAW

The Department of Public Instruction is responsible for the operation the state's school lunch handling program, which includes the warehousing, shipping, processing and insuring of food products provided by the United States Department of Agriculture to Wisconsin. Revenues are received from handling fees charged to school districts and other participating agencies and are used to cover the costs the school lunch program. Base level expenditure authority for the program is \$3,000,500 PR in 1998-99. In February, additional expenditure authority of \$6,999,500 PR was provided under s. 16.515 of the statutes to meet increased costs related to processing commodities and additional storage and transportation costs anticipated with new contracts.

GOVERNOR

Reestimate revenues received from handling fees charged to school districts and other participating agencies by \$6,999,500 PR annually.

MODIFICATION

Delete \$6,999,500 PR annually from the school lunch handling charges appropriation.

Explanation: The funding in the bill would represent a duplication of funding already received by DPI in February, 1999, under s. 16.515. This funding was included in the Governor's budget, because at the time of submission, the s. 16.515 request had not yet been approved.

<u>Modification</u>	<u>PR</u>
1999-01 FUNDING (Change to Bill)	- \$13,999,000

Prepared by: Tricia Collins

MO# _____

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 16 NO 0 ABS 0

Gov Agency: Public Instruction—Administrative, Funding and Transfers
Positions and Funding for Wisconsin School for the Visually
Handicapped

Recommendations:

Paper No. 804 Alternative 4

Comments: The governor has proposed eliminating several positions at the School for the Blind. The Leg. Council Special Committee on Services for the Visually Handicapped recommends that all positions remain available until the conversion plan for the school is approved. Both DPI and WEAC both support this alternative.

Prepared by: Julie



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May 20, 1999

Joint Committee on Finance

Paper #804

Positions and Funding for Wisconsin School for the Visually Handicapped (DPI -- Administrative, Funding and Transfers)

[LFB 1999-01 Budget Summary: Page 507, #3]

CURRENT LAW

In 1998-99, base funding and positions for the Wisconsin School for the Visually Handicapped (WSVH) are \$4,134,600 GPR and 81.01 GPR positions.

GOVERNOR

Delete \$180,700 GPR annually and 5.52 GPR classified positions beginning in 1999-00 from the Wisconsin School for the Visually Handicapped. These positions include: (a) 0.49 teacher; (b) 0.39 teaching assistant; (c) 1.00 education director; (d) 2.04 child care counselor; (e) 0.60 licensed practical nurse; and (f) 1.00 secretary.

DISCUSSION POINTS

1. According to staff at the Department of Administration (DOA), the Governor recommended that these positions be eliminated because each had been vacant for at least six months and several had been vacant for over 18 months.

2. Since the Governor compiled his budget recommendations, 1.0 of these positions has been filled. In addition, staff at the Department of Public Instruction (DPI) indicates that 0.88 of these positions have been vacant since the summer of 1997 because WSVH policy and employe contracts dictate that the summer school session be staffed, to the extent possible, with permanent classified employes. Limited-term employes are used to fill these positions for which permanent employes are not available. Staff at DPI argues that this 0.88 position should not be eliminated because it will be filled in the summer of 1999 and subsequent years, unless, as in the summer of

1998, it is impossible to fill it with a permanent employe. Therefore, of the 5.52 positions recommended for elimination, DPI indicates that 3.64 positions are vacant and available for elimination.

3. As an alternative to the Governor's proposal, DPI recommends that the 3.64 currently vacant positions be eliminated and that the remaining 1.88 positions be selected from 4.82 currently vacant positions. The positions that are vacant include: (a) 1.0 custodian; (b) 1.0 payroll and benefits specialist; (c) 1.0 school business director; (d) 1.6 child care counselor; and (e) 0.22 nurse clinician. The specific positions would be chosen at the discretion of the State Superintendent.

4. Enabling the State Superintendent to choose the positions for elimination would provide the School with the most flexibility to delete only those positions that cannot be filled or are less important to the operations of the School. Eliminating only selected vacant positions would likely avoid the possibility of a current employe losing his or her job, as well as a situation in which the School would be unable to hire summer school teachers.

5. However, staff at DPI indicates that each of the additional positions identified will not likely be filled and has been designated for elimination, if necessary. If the Committee would wish to eliminate all of the positions currently vacant and identified by DPI as available for possible elimination, it could modify the Governor's proposal to instead eliminate the 3.64 positions proposed by DOA that are currently vacant, as well as the 4.82 additional positions identified by DPI. In this case, the total position and funding reduction would be 8.46 positions and \$287,400 GPR annually.

6. In April 1999, the Joint Legislative Council's Special Committee on Services for Visually Handicapped Students recommended that the WSVH remain open and its role be modified to provide a more limited residential program and act as a center for services that could benefit all visually-impaired students in the state. The possible functions of the Center could include testing and evaluation, technical assistance and consultation, library and assistive technology, training, braille, curriculum development and summer school services. The Committee has recommended that DPI and an advisory committee draft the details of the conversion, including funding and administrative changes, and report to the Joint Committee on Finance for approval of the plan and the authorization to carry out its contents.

7. In light of these recommendations, the Chair of the Special Committee has requested that no positions or funding be eliminated from the WSVH's base budget prior to the approval of the conversion plan. It is possible that such a plan may include the use or modification of these currently vacant positions. Maintaining the current level of funding and positions for the School would provide the maximum amount of flexibility for the determination of the future of the WSVH.

ALTERNATIVES

1. Approve the Governor's recommendation to delete \$180,700 annually and 5.52 classified positions beginning in 1999-00 from the Wisconsin School for the Visually Handicapped.

2. Modify the Governor's recommendation to instead: (a) eliminate 3.64 positions and \$122,500 GPR proposed by the Governor; (b) maintain 1.88 positions and \$58,200 GPR annually proposed by the Governor; and (c) eliminate 1.88 positions and \$58,200 GPR annually identified by DPI as vacant and chosen at the discretion of the State Superintendent.

3. Modify the Governor's recommendation to instead: (a) eliminate 3.64 positions and \$122,500 GPR proposed by the Governor; (b) maintain 1.88 positions and \$58,200 GPR annually proposed by the Governor; and (c) eliminate an additional 4.82 vacant positions and \$164,900 GPR annually.

<u>Alternative 3</u>	<u>GPR</u>
1999-01 FUNDING (Change to Bill)	- \$213,400
2000-01 POSITIONS (Change to Bill)	- 2.94

4. Maintain current law.

<u>Alternative 4</u>	<u>GPR</u>
1999-01 FUNDING (Change to Bill)	\$361,400
2000-01 POSITIONS (Change to Bill)	5.52

Prepared by: Ruth Hardy

MO# Alt. 4

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 15 NO 1 ABS 0

PUBLIC INSTRUCTION

Funding for Library Contracts

Motion:

Move to provide \$38,300 GPR in 1999-00 and \$73,600 GPR in 2000-01 to increase funding for contracts with the Milwaukee Public Library, the Wisconsin interlibrary services (WILS), the Wisconsin regional library for the blind and physically handicapped and the cooperative children's book center.

Note:

This motion would provide \$38,300 GPR in 1999-00 and \$73,600 GPR in 2000-01 to increase funding for contract with four providers of specialized statewide library services and resources. Contracts are maintained with the Milwaukee Public Library for the statewide interlibrary loan of its collection, the Wisconsin interlibrary services (WILS), the Wisconsin regional library for the blind and physically handicapped for statutorily required services for blind and handicapped citizens and the cooperative children's book center, a program of the UW-Madison School of Education with obtains and reviews children's literature for libraries statewide.

[Change to Bill: \$111,900 GPR]

MO#		A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	
		N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
		BURKE	DECKER	JAUCH	MOORE	SHIBILSKI	PLACHE	COWLES	PANZER	GARD	PORTER	KAUFERT	ALBERS	DUFF	WARD	HUBER	RILEY

AYE 15 NO 1 ABS 0

PUBLIC INSTRUCTION

Bilingual-Bicultural Education Aid Set-Aside

Motion:

Move to require DPI to provide \$250,000 GPR annually as a first draw from the current annual appropriation of \$8,291,400 GPR for bilingual-bicultural education aid to school districts where limited-English-speaking (LES) pupils comprise 15% or more of total enrollment.

Note:

In certain cases, school districts are required by state law to provide special classes to LES pupils. These classes are required at schools that enroll ten or more LES pupils in a language group in grades K-3, or 20 or more in grades 4-8 or 9-12. These school districts are eligible for categorical aid.

In 1998-99, \$8,291,400 GPR is provided for bilingual-bicultural education aid to 38 school districts, which represents a 21.3% reimbursement rate of eligible costs. Aidable costs are defined as the districts' prior year costs for salaries, special books, equipment and other expenses approved by DPI which are attributable only to programs for LES pupils. State aid payments are based on the ratio of the categorical aid appropriation to the total aidable costs of the eligible districts in the prior year.

This motion would require DPI to provide \$250,000 GPR annually as a first draw from the current annual appropriation for bilingual-bicultural education aid to school districts where LES pupils comprise 15% or more of total enrollment. Although current data is not available, based on 1996-97 enrollment data upon which 1997-98 aid was determined, one school district (Wausau) had an LES pupil enrollment of 15% or more of total school district enrollment.

MO#	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
BURKE																	
DECKER																	
JAUCH																	
MOORE																	
SHIBILSKI																	
PLACHE																	
COWLES																	
PANZER																	
GARD																	
PORTER																	
KAUFERT																	
ALBERS																	
DUFF																	
WARD																	
HUBER																	
RILEY																	
	AYE 12 NO 4 ABS																

PUBLIC INSTRUCTION

Revenue Limit Increase -- Tax Incremental Districts

Motion:

Move to authorize a school district to create a capital improvement fund to finance capital improvements, which could only receive monies from the following source. Provide that if a tax incremental district (TID) that is located in a school district is terminated before the maximum number of years that it could have existed, in each year until the year after the year in which the TID would have been required to terminate, the school district would have to deposit in the fund an amount equal to the school district's portion of the positive tax increment of the TID. Provide that the Department of Revenue would calculate this increment as if the TID had not terminated. Specify that these provisions would only apply to a TID where the value increment exceeds \$300 million.

Specify that the school district's revenue limit for any year would be increased by the amount deposited in the capital improvement fund in that school year. Provide that this revenue limit increase would be excluded from partial school revenues in calculating the costs of state two-thirds funding. Specify that the any expenditures from the capital improvement fund would be excluded from shared costs for purposes of calculating equalization aid. Provide that the increase in value of the TID would be included in the school district's equalized value for purposes of the equalization aid formula.

Require the school district to report to the Governor and to the Joint Committee on Finance, by January 1 of each odd-numbered year, relating to the impact and results of the use of monies under this proposal.

Provide that these provisions would take effect on July 1, 1999.

Note:

This motion would increase school district revenue limits by the amount of certain monies deposited in a proposed capital improvement fund. Deposits to a capital improvement fund would equal the school district's portion of the positive tax increment of a TID located in the school district that is terminated before the maximum number of years that it could have existed, if the

value increment of the TID would exceed \$300 million.

The motion would specify that the modifications relating to certain TIDs that terminate early would not affect shared costs under the equalization aid formula, because expenditures from the proposed fund would be excluded from shared costs. In addition, as under current law, the equalized value of the school district would increase by the value increment. Finally, the costs of two-thirds funding would be unchanged, because the motion would modify the two-thirds funding definition to exclude the increase in revenue limits from partial school revenue.

Based on the TIDs that have terminated through the end of 1998, this motion would apply to one school district (Kenosha), which would receive an increase to revenue limits of an estimated \$3.3 million annually in the 1999-01 biennium.

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A
AYE	8	NO	8
		ABS	

PUBLIC INSTRUCTION

Youth Options Program

Motion:

Move to modify the youth options program for pupils attending institutions of higher education as follows:

a. Delete the requirement that a school board determine whether a course that a student intends to take under the program is comparable to a course offered in the school district and whether the course satisfies any of the high school graduation requirements. In addition, delete the requirement that a school board pay for a course taken at an institution of higher education if the course is not comparable to one offered in the district. A school board would only pay for a course if high school credit would be granted.

b. Delete the requirement that the State Superintendent develop guidelines to assist school districts in making determinations relating to course comparability, whether the course meets high school graduation requirements and the number of credits to award for the course, if any.

c. Delete the provision which allows a pupil to appeal the school board's decisions regarding course comparability, satisfaction of high school graduation requirements or the number of credits to be awarded, to the State Superintendent within 30 days after the school board makes its determinations. Instead, specify that the school board's decision regarding the number of high school credits to award for the course would be final and not subject to review.

In addition modify the youth options program for pupils attending Wisconsin Technical College System (WTCS) institutions as follows:

a. Delete the requirement that a school district notify a pupil, at least 30 days prior to the beginning of the technical college semester in which the pupil will be enrolled, whether a course the pupil intends to take is comparable to one offered in the district. Require a school board to notify the pupil of the number of high school credits to be awarded for the course, if any.

b. Delete the provision which allows a pupil to appeal the school board's decisions regarding course comparability and whether the course meets high school graduation requirements to the State Superintendent within 30 days after the school board makes its determinations. Instead,

specify that the school board's decision would be final and not subject to review.

c. Delete the provision that specifies that if a pupil is enrolled during any semester for seven credits or more that are eligible for high school credit, the school district is required to pay to the technical college an amount equal to 50% of the school district's average per pupil cost for regular instruction and instructional support services in the previous school year multiplied by the number of credits taken for high school credit divided by 15. Specify that a school district would be required to pay an amount equal to tuition, course fees and books for courses taken for high school credit, regardless of the number of credits eligible for high school credit for which the pupil is enrolled.

d. Delete the provision that specifies that: (1) if a pupil is attending a technical college for less than 10 credits during a semester, the school board is not responsible for payment for any courses that are comparable to courses offered in the district; and (2) if a pupil is attending the technical college for 10 or more credits during a semester, the school board is responsible for payment for courses that are comparable to courses offered in the district for one-half of the credits taken but no more than six credits.

e. Modify the provision that specifies that a pupil is eligible to receive both high school and technical college credit for courses successfully completed at the technical college by specifying that this provision would only apply to courses for which the school board has notified the pupil that high school credit will be awarded.

Note:

This motion would make the following changes to the youth options program for pupils attending institutions of higher education, defined as UW System institutions, tribally controlled colleges and private, nonprofit colleges:

School District Requirements. Under current law, a school board is required to determine: (1) whether a course which a student intends to take is comparable to one offered in the district; (2) whether the course meets any of the state's graduation requirements; and (3) the number of high school credits to award for the course, if any. A school district is required to pay for the course if it is taken for high school credit and a comparable course is not offered in the district. Under this

motion, a school board would only have to determine the number of high school credits to award for a course, if any, and would not have to pay for the course unless high school credit would be granted.

DPI Guidelines. Under current law, the State Superintendent is required to develop guidelines to assist school districts in making determinations regarding course comparability, satisfaction of high school graduation requirements and the number of high school credits to award. This motion would delete this requirement.

Appeals Process. Current law specifies that if a student disagrees with a school board's determinations relating to comparability, high school graduation requirements or the number of credits to be awarded, the student may appeal the board's decision to the State Superintendent, whose decision is final. This motion would eliminate the appeals process and specify that the school board's decision would be final and not subject to review.

In addition, this motion would make the following changes to the youth options program for pupils attending WTCS institutions:

Course Comparability. Under current law, a school board is required to notify a pupil, at least 30 days before the start of the technical college semester, if the course does not meet the high school graduation requirements and whether the course is comparable to one offered in the district. This motion would delete the requirement that a school board notify the pupil regarding course comparability and instead, require the school board to notify the pupil of the number of high school credits to be awarded for the course, if any.

Appeals Process. Current law specifies that if a student disagrees with the school board's decision relating to satisfaction of graduation requirements or course comparability, the pupil may appeal to the State Superintendent, whose decision is final. This motion would eliminate the appeals process and specify that the school board's decision is final and not subject to review.

Payment to Technical College. Under current law, for each semester that a pupil attends a WTCS institution under the program, the school board is required to pay an amount determined as follows:

1. If the pupil is enrolled for less than seven credits that are eligible for high school credit, for those courses taken for high school credit, an amount equal to the cost of tuition, course fees and books.
2. If the pupil is enrolled for seven credits or more that are eligible for high school credit, for those courses taken for high school credit, an amount equal to 50% of the school district's average per pupil cost for regular instruction and instructional support services in the previous school year multiplied by the quotient of the number of credits taken for high school credit divided by 15.

This motion would delete the provision that requires a school board to pay an amount based

on school district average per pupil cost. Instead, the motion would specify that, for those courses taken for high school credit, school board would be required to pay an amount equal to the cost of tuition, course fees and books, regardless of the number of credits taken that are eligible for high school credit.

Under current law, if the pupil is enrolled for less than ten credits during a semester, the school board is not responsible for payment for any courses that are comparable to courses offered in the district. If the pupil is enrolled for ten or more credits during any semester, and one or more of the courses is comparable to one offered in the district, the school board is required to pay for one-half of the credits for these courses up to six credits. This motion would delete the provisions relating to payment for comparable courses. A school district would only be required to pay for those courses taken for high school credit.

High School and Postsecondary Credit. Current law specifies that a pupil is eligible to receive both high school and technical college credit for courses successfully completed at a technical college. This motion would specify that this provision would apply only to those courses for which the school board has notified the pupil that high school credit will be awarded.

MO# _____

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	<input checked="" type="radio"/> Y	N	A
JAUCH	<input checked="" type="radio"/> Y	N	A
MOORE	Y	<input checked="" type="radio"/> N	A
SHIBILSKI	<input checked="" type="radio"/> Y	N	A
PLACHE	Y	<input checked="" type="radio"/> N	A
COWLES	Y	<input checked="" type="radio"/> N	A
PANZER	Y	<input checked="" type="radio"/> N	A
GARD	Y	<input checked="" type="radio"/> N	A
PORTER	Y	<input checked="" type="radio"/> N	A
KAUFERT	Y	<input checked="" type="radio"/> N	A
ALBERS	Y	<input checked="" type="radio"/> N	A
DUFF	Y	<input checked="" type="radio"/> N	A
WARD	Y	<input checked="" type="radio"/> N	A
HUBER	<input checked="" type="radio"/> Y	N	A
RILEY	<input checked="" type="radio"/> Y	N	A

AYE 5 NO 11 ABS _____

Gov Agency: Department of Public Instruction

Recommendations:

Paper No.: LFB Summary Items for Which No Issue Paper has Been Prepared

Comments:

Prepared by: Cindy

Public Service Commission

Agencywide

(LFB Budget Summary Document: Page 511)

LFB Summary Item for Which an Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
4	Modification of Staff Attorney Office Space (Paper #805)

(Base) Agency: Public Service Commission - Agencywide

Recommendations:

Paper No. 805: Alternative 2

Comments: See paragraphs 5 & 6 to support this alternative. Although you want to help the PSC attorneys (they're probably pretty busy these days - ha), this plan put forth by DOA and PSC is lacking in detail and JFC shouldn't fund it until a more specific plan is worked out - and brought back to JFC for approval.

prepared by: Barry



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April 27, 1999

Joint Committee on Finance

Paper #805

Modification of Staff Attorney Office Space (PSC -- Agencywide)

[LFB 1999-01 Budget Summary: Page 512, #4]

CURRENT LAW

The Public Service Commission (PSC) is currently authorized 14 attorney positions, including the Chief Counsel. Staff attorneys are responsible for advising the Commission and other staff on legal matters and representing the Commission on litigation in state and federal courts and before other state and federal administrative agencies such as the Federal Energy Regulatory Commission and the Federal Communications Commission. Presently, the attorneys and other legal staff are assigned to either the Chief Counsel or to the individual program divisions and are located throughout the headquarters building either along with the other staff of the individual divisions or, for the Chief Counsel, in the Chief Counsel's office.

GOVERNOR

Provide one-time funding of \$84,000 PR in 1999-00 for reconfiguration of certain PSC office space to locate all of the agency's attorneys in one central location. The funds would be used to pay contractors for the remodeling costs of establishing seven attorney offices in a central location, purchasing modular furniture for the new offices, and then reconfiguring the vacated space in the individual division areas where the other 13 attorneys are currently located. The Executive Budget Book indicates that this initiative is necessary to assist with plans to more equitably distribute workload among all the PSC staff attorneys by assigning all of the attorney staff to the Office of the Chief Counsel.

DISCUSSION POINTS

1. The 14 attorney positions are currently distributed among the five divisional offices and the Chief Counsel's office. The positions are distributed as follows: one in the Chief Counsel's

Office, three in the Examining Division, one in the Water and Consumer Complaints Division, four in the Telecommunications Division, two in the Natural Gas Division, and three in the Electric Division.

2. Currently, the staff attorneys (except for the Chief Counsel) report directly to their respective division administrators. The Chief Counsel reports to the three members of the Commission. It is understood that the reorganization plan will bring all of the staff attorneys under the direct supervision of the Chief Counsel, who would then determine work assignments and supervise the individual attorneys.

3. Prior to 1990, the PSC staff attorneys were organized centrally under the Chief Counsel. The current decentralization of attorneys was a result of a 1990 reorganization when the PSC moved from a functionally-based organization to the current generally utility-based organization. At that time, the units of the PSC were also all functionally organized as follows: (a) Accounts and Finance Division; (b) Administrative Services Division; (c) Energy Planning and Programs Division; (d) Engineering Division; (e) Examining Division; (f) Utility Rates Division; (g) Office of the Economics and Finance; and (h) Office of Chief Counsel. PSC staff indicates that no other functional reorganizations of the agency are currently anticipated. When the 1990 reorganization was undertaken, it is understood that this was accomplished within base resources.

4. The PSC believes that by organizing the legal staff all under the Chief Counsel, the Chief Counsel can better allocate total legal staff work among all of the existing attorney staff. Under the current decentralized structure, workload is primarily distributed along division lines. When legal issues arise in a specific division, they are generally assigned to the attorneys in that division. Three issues may be raised regarding this reorganization request.

5. While such a realignment of staff locations might be preferable, it could be argued that the management of the workload of professional legal staff does not require that all the attorneys be in physical proximity of each other.

6. If the Committee believes that funding should be provided, it could be argued that any increased funding should not be approved until the PSC has: (a) developed a specific plan of how space and attorneys will be physically relocated; and (b) determined how many attorneys will actually be moved and what the specific costs will be. The funding as recommended by the Governor is based on an estimated reallocation of only seven of the attorneys. The PSC has not identified how the costs of relocating the remaining attorneys is to be accomplished. Further, support staff for the attorneys (two legal secretaries and one LTE legal staff) would presumably need to be relocated also.

7. Given the above considerations, the Committee could: (a) approve the funding as recommended in the bill; (b) delete the recommended funding; or (c) place the funding in the Committee's PR supplemental appropriation, for release under a 14-day passive review process, at such time as the PSC provides more documentation via a specific relocation plan and detailed cost estimates.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$84,000 PR in one-time funding for the relocation the attorney staff into one central location under the authority of the Chief Counsel.

<u>Alternative 1</u>	<u>PR</u>
1999-01 FUNDING (Change to Base) [Change to Bill]	\$84,000 \$0]

2. Place \$84,000 PR in the Committee's PR supplemental appropriation reserved for possible release, under a 14-day passive review process, to the Commission at such time that the PSC provides detailed documentation of a specific relocation plan and associated estimated costs.

<u>Alternative 2</u>	<u>PR</u>
1999-01 FUNDING (Change to Base) [Change to Bill]	\$84,000 \$0]

3. Maintain current law.

<u>Alternative 3</u>	<u>PR</u>
1999-01 FUNDING (Change to Base) [Change to Bill]	\$0 -\$84,000]

Prepared by: David Worzala

MO# 117 2

BURKE	<u>Y</u>	N	A
DECKER	<u>Y</u>	N	A
JAUCH	<u>Y</u>	N	A
MOORE	<u>Y</u>	N	A
SHIBILSKI	<u>Y</u>	N	A
PLACHE	<u>Y</u>	N	A
COWLES	<u>Y</u>	N	A
PANZER	<u>Y</u>	N	A
GARD	<u>Y</u>	N	A
PORTER	<u>Y</u>	N	A
KAUFERT	<u>Y</u>	N	A
ALBERS	<u>Y</u>	N	A
DUFF	<u>Y</u>	N	A
WARD	<u>Y</u>	N	A
HUBER	<u>Y</u>	N	A
RILEY	<u>Y</u>	N	A

AYE 16 NO 0 ABS 0

(Base) Agency: Public Service Commission - Agencywide

Recommendations:

Paper No. LFB Summary Items for Which No Paper Has Been Prepared:

Comments: These five items seem fine to me. Since this is a base agency, you need to approve the items to include them in the committee bill.

prepared by: Barry

PUBLIC SERVICE COMMISSION

Agencywide

LFB Summary Items for Which No Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
1	Standard Budget Adjustments
2	Information Technology Initiatives
3	PR Appropriation for Consumer Education and Awareness Activities
5	Mobile Home Park Project Position
6	Gas Service Computer Model

LFB Summary Items for Introduction as Separate Legislation

<u>Item #</u>	<u>Title</u>
7	Open Records Exceptions
8	Modify Compliant Process
9	Provision of Information to PSC by Telecommunications
10	Resale of Electricity by Certain Utility Customers
11	Electrical Utilities Deregulation Study
12	Telecommunications Tariff Filings Effective Dates

MO# approve items

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
2 GARD	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 16 NO 0 ABS 0

Public Service Commission

Universal Service Fund

(LFB Budget Summary Document: Page 517)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1 & 3	Assistance to Institutions Program Elimination (Paper #810)
-	Budgeting for USF Programs (Paper #811)

(Base) Agency: Public Service Commission - Universal Service Fund
Assistance to Institutions Program Elimination

Recommendations:

Paper No. 810: Alternative 2

Comments: It seems ok to eliminate the PSC's assistance to institutions program, since TEACH has a better deal going right now. But I think you should hang on to the money until the PSC can work through their administrative rules and develop a new and improved plan for the Universal Service Fund. Under Alternative 2, the PSC program would be eliminated as the governor suggested, but \$2 million SEG would be retained each year for use in other USF programs - pending a revised workplan.

The PSC is not doing a good job of using the USF money in a way that was originally intended (i.e. to help everyone get reasonable access to telecommunication services). But, the program is relatively new. Let's retain this funding for the time being, hold their feet to the fire for the next year or two and try to make the USF work (see next paper for broader options about the future of the USF as a whole).

prepared by: Barry