

**1999 DRAFTING REQUEST**

**Bill**

Received: **09/21/98**

Received By: **kunkemd**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Milioto**

This file may be shown to any legislator: **NO**

Drafter: **kunkemd**

May Contact:

Alt. Drafters:

Subject: **Education - miscellaneous**

Extra Copies: **PG**

**Topic:**

DOA:.....Milioto - Eudcational technology infrastructure loans

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	kunkemd 10/20/98	chanaman 11/25/98	lpaasch 11/25/98	_____	lrb_docadmin 11/25/98		State
	kunkemd 01/20/99	ygeller 01/20/99		_____			
/1			hhagen 01/20/99	_____	lrb_docadmin 01/20/99		State

FE Sent For:

<END>

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FE Sent For: *1/20 jlg* *1/20* *CMH/JF 1/20*  
*1/20 CMH*  
*1/20*  
 <END>

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By/Representing: **TEACH board**

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May Contact:

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**Instructions:**

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1?	kunkemd	CMH 4/24 /PI PI-11-24-98 CLK	11-26 LP.	11-23 <del>LP</del> BS			

FE Sent For:

<END>



STATE OF WISCONSIN  
TEACH WISCONSIN  
101 East Wilson Street, Madison, Wisconsin

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**1999-2001 State Biennial Budget Request  
Statutory Language Changes  
TEACH Wisconsin**

**A. Board Duties and Composition -0247**

**1. Member Designees - Technical**

*Change:* Allow the Secretary of the Department of Administration and the State Superintendent to appoint designees to be members of the TEACH Wisconsin Board.

*Rationale:* Because the Secretary of DOA and the State Superintendent are members of the TEACH Board by virtue of their position, it is appropriate to allow them the flexibility to appoint a member of their respective staff to be official members of the Board. This practice is consistent with most other state level boards.

*Instruction:* Under s. 15.105(25), insert "or his or her designee" after state superintendent of public instruction and secretary of administration.

**B. Block Grants -0248**

**1. Use of Block Grant Funding - Policy**

*Current Law:* Under current law, school districts may not utilize block grant funding to pay the salary or fringe benefits of any school district employe.

*Change:* Permit school districts to utilize the block grant funding to pay for the salary and fringe benefits of new school district employes whose primary function (at least 50% of the employe time) is to provide direct technical assistance to other school district employes in the use of educational technology or distance education equipment and resources.

*Rationale:* As a result of the large investment made by TEACH Wisconsin and school districts in the area of educational technology, school districts are experiencing an increased demand for technical personnel who are able to provide technical assistance to teachers and administrators in the implementation of educational technology for administrative and instructional purposes. Permitting school districts to utilize block grant funding for new technical assistance personnel would enable school districts to expand their resources in this critical educational technology, technical assistance area.

*Instructions:* Make necessary changes under s. 44.72(2).

**2. Supplemental Grant - Technical**

*Change:* Delete the Supplemental Educational Technology Block Grant.

*Rationale:* Under current law, no moneys may be encumbered from this appropriation after June 30, 1998. The Legislature intended that this grant be a one-time funding source to provide a boost to small, low-value school districts. With the base increase in the general fund block grants, this appropriation is no longer necessary.

*Instruction:* Delete s. 20.275(fs). Delete s.44.72(2)(b)3 in its entirety.

**3. Annual Meeting or School Board Resolution - Technical**

*Change:* Delete requirement that a common school district at its annual meeting, or a unified school district or the Milwaukee Public Schools at a school board meeting, adopt a resolution requesting the block grants.

*Rationale:* Because the block grants are distributed to school districts based on both statutory and constitutional formulas, this requirement has been an unnecessary administrative hurdle for both school districts and TEACH staff. The collection and verification of the resolutions has depleted valuable staff time that could better be spent on assisting school districts or collecting data useful for performance-based budgeting.

*Instruction:* Delete s. 44.72(c), except last sentence.

**C. Subsidized Educational Technology Infrastructure Loans - 0249**

**1. Financial Assistance Loans and Grants – Technical**

*Change:* Replace language relating to “subsidized loans” with “financial assistance,” and characterize funding to school districts as a 50% loan and 50% grant of total eligible funding.

*Rationale:* Under the current program, school districts and libraries may chose a loan term of two to ten years to pay off their 50% portion of the loan. However, because the state will always finance its 50% of the loan over ten years, school districts and libraries are liable for the loan until the end of the full ten years, regardless of the loan term they chose. This change would allow school districts and libraries to fully pay off their 50% loan within their chosen term and not be liable for ten years because the other 50% of the financial assistance would be a grant and no longer a forgivable loan.

*Instructions:* See attached draft.

**2. Continuing Program Revenue Debt Service Appropriation – Technical**

*Change:* Amend appropriation s. 20.275 (1)(h) in the Chapter 20 schedule to be a continuing, rather than a sum sufficient, program revenue appropriation. This would be consistent with the treatment of the other program revenue debt service appropriation, 20.275(1)(hb), under TEACH Wisconsin.

**D. Educational Telecommunications Access Program - 0250**

**1. Establish Program Under Chapter 44, Subchapter IV (TEACH Wisconsin) – Policy**

*Current:* Under current law, the program is established under Wis. Stats. Chapter 196 (Public Service Commission) and authorizes the PSC to promulgate rules, report to the legislature and complete some administrative functions for the program. However, the appropriations and responsibility to operate the program rest with TEACH.

*Change:* Move the program from Chapter 196 to Chapter 44 (TEACH Wisconsin). Delete the requirement that the PSC promulgate rules for the educational telecommunications access program. Instead, require TEACH Wisconsin to administer the program following the statutory requirements established for the program. Delete all administrative functions delegated to the PSC, including reporting and documentation of contracts. Maintain the statutory requirements for administering the universal service fund with the PSC under Chapter 196, including assessing the necessary moneys to fund the telecommunications access program.

*Rationale:* Because the PSC does not administer the telecommunications access program, it has been administratively cumbersome to authorize the PSC to establish rules, report data and approve contracts for the program. The statutory authority for the program should reside with the agency that administers the program. Further, because TEACH Wisconsin is required to implement performance-based budgeting, it is crucial that TEACH be authorized to fully implement and administer the programs for which it will be ultimately held accountable.

*Instructions:* Make the necessary amendments to chapters 44 and 196 to reflect these changes.

**2. Expand Authority to Pay Telecommunications Providers – Policy**

*Current:* Under current law, TEACH may make payments on behalf of libraries and educational institutions for telecommunications services only to telecommunications providers under contracts with DOA.

*Change:* Permit TEACH Wisconsin to make payments to telecommunications providers under contracts with eligible institutions that have entered into such contracts following a competitive bidding process, in addition to those providers under contracts with DOA.

*Rationale:* This change would allow for greater competition for TEACH-supported services, as well as provide for programmatic flexibility for the libraries and educational institutions that are beneficiaries of TEACH. Additionally, this change could potentially provide TEACH Wisconsin cost savings which would enable TEACH to serve greater numbers of institutions.

*Instructions:* Make the necessary changes to Chapter 20 appropriation language.

### **3. Additional Data Lines and Video Links for Cost Savings – Policy**

*Change:* Permit TEACH Wisconsin to provide more than one data line or video link to an eligible institution if such an action would result in a cost savings to TEACH.

*Rationale:* In some instances, it is more cost effective to provide an institution several lower-capacity data lines, rather than one high-capacity data line or video link. Because under current law, TEACH may generally not provide more than one data line or video link, several institutions have requested a high-capacity data line, which provides greater bandwidth capacity than necessary, rather than requesting several lower-capacity data lines. Permitting TEACH the flexibility to provide several data lines would enable the program to be more cost effective, respond more directly to institution needs and serve greater numbers of institutions.

*Instructions:* Make necessary changes to s. 196.218(4r) (c)1.

### **4. Appropriation Rearrangement – Technical**

*Current Law:* There are three appropriations for the program: (a) public school districts, CESAs and technical colleges; (b) private colleges and public library boards; and (c) private K-12 schools.

*Change:* Maintain three appropriations and current funding levels for each type of institution, but alter the arrangement as follows: (a) public school districts and CESAs; (b) technical colleges and public library boards; and (c) private colleges and private K-12 schools.

*Rationale:* Because the school district and CESA appropriation is included in the calculation of the state's commitment to funding two-thirds of partial school revenues, only public K-12 educational purposes should be funded through the appropriation. Public library boards and technical colleges are both public entities and can logically share an appropriation. Private colleges and K-12 schools are both private entities and can logically share an appropriation.

*Instructions:* Make the necessary changes to chapters 20 and 196 to reflect these appropriation changes.

### **E. Wisconsin Advanced Telecommunications Foundation and TEACH Wisconsin Administration – Policy**

- 0251

*Change:* Consolidate the administrative functions of the Wisconsin Advanced Telecommunications Foundation (WATF) under TEACH Wisconsin, as is currently provided under a memorandum of understanding between the WATF Chair and the TEACH Executive Director. Create a continuing program revenue (PR) appropriation under TEACH Wisconsin, entitled "Wisconsin Advanced Telecommunications Foundation and other activities." Funding for this appropriation would be generated from the WATF Foundation interest earnings. Provide 2.0 permanent PR positions and \$135,600 PR in 1999-2000, and \$149,700 PR in 2000-01. In order to fill one of the positions, TEACH Wisconsin would accrete into the state employment system the current WATF employee who is currently performing administrative and grants specialist duties. The position authority for the other position could be transferred from DOA to TEACH because, of the four positions authorized to DOA under 1997 Act 27 for TEACH-related activities, only three positions have been filled and are completing TEACH-related duties.

Rename Wis. Stats. Chapter 44, Subchapter IV to be "the Office of Technology for Educational Achievement in Wisconsin." Under the Office of TEACH Wisconsin, the TEACH Board would retain its current duties and programs. Establish that the administration of the duties and programs of the WATF Board would be completed by the Office of TEACH Wisconsin, under the direction of the TEACH Wisconsin Executive Director. Provide that the WATF Board would retain its current duties

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and programs authorized under Wis. Stats. Chapter 14. Neither the TEACH Wisconsin Board nor the WATF Board would be authorized to make policies related to the other Board's programs or duties.

*Rationale:* This would consolidate several educational technology functions under one office, and would promote the sharing of resources, coordination of funding and efficient administration of programs and grants.



**44.72 EDUCATIONAL TECHNOLOGY TRAINING PROGRAMS, GRANTS, AIDS AND LOANS**

**(4) ~~SUBSIDIZED~~ EDUCATIONAL TECHNOLOGY INFRASTRUCTURE FINANCIAL ASSISTANCE ~~LOANS.~~**

(a) *Financial assistance* ~~Subsidized loans authorized.~~ The board may ~~provide~~ make ~~subsidized loans~~ loans and grants under this subsection to school districts from the proceeds of public debt contracted under s. 20.866 (2) (zc) and to public library boards from the proceeds of public debt contracted under s.20.866 (2) (zcm). Loans and grants ~~Subsidized loans~~ under this subsection may be used only for the purpose of upgrading the electrical wiring of school and library buildings in existence on the effective date of this paragraph... [revisor inserts date], and installing and upgrading computer network wiring.

(b) *Financial assistance* ~~Subsidized loan applications, terms and conditions.~~ The board shall establish application procedures for, and the terms and conditions of, financial assistance ~~subsidized loans~~ under this subsection. The terms may include provision of professional building construction services under s. 16.85 (15). A school district or public library board shall receive a grant for 50% and a loan for 50% of the total eligible amount of financial assistance determined by the board under this subsection. The board shall determine the interest rate on these loans. The interest rate shall be as low as possible but shall be sufficient to fully pay all interest expenses incurred by the state for funding loans and to provide reserves that are reasonably expected to be required in the judgment of the board to ensure against losses arising from delinquency and default in the repayment of ~~subsidized loans~~.

(c) *Repayment of subsidized loans.* ~~A school district's or public library board's total payments on a loan made under this subsection shall be equal to 50% of the total debt service on the loan, as determined by the board. A school district or public library board is not obligated to pay the remaining 50% of the debt service on the loan.~~ The board shall credit all moneys received from school districts under this paragraph to the appropriation account under s. 20.275 (1) (h). The board shall credit all moneys received from public library boards under this paragraph to the appropriation account under s. 20.275 (1) (hb).

(d) *Funding for financial assistance* ~~subsidized loans.~~ The board, with the approval of the governor and subject to the limits of s. 20.866 (2) (zc) and (zcm), may request that the building commission contract public debt in accordance with ch. 18 to fund loans and grants under this subsection. The term of public debt contracted under s. 20.866 (2) (zc) and (zcm) may not exceed 10 years.

**20.866 PUBLIC DEBT**

**(2) CAPITAL IMPROVEMENT AUTHORIZATIONS**

(zc) *Technology for educational achievement in Wisconsin board; school district educational technology infrastructure* ~~financial assistance~~ ~~loans.~~ From the capital improvement fund, a sum sufficient for the technology for educational achievement in Wisconsin board to ~~provide~~ make ~~subsidized~~ educational technology infrastructure grants and loans ~~loans~~ to school districts under s. 44.72(4). The state may contract public debt in an amount not to exceed \$100,000,000 for this purpose.

(zcm) *Technology for educational achievement in Wisconsin board; public library educational technology infrastructure* ~~financial assistance~~ ~~loans.~~ From the capital improvement fund, a sum sufficient for the technology for educational achievement in Wisconsin board to ~~provide~~ make ~~subsidized~~ educational technology infrastructure grants and loans ~~loans~~ to public library boards under s. 44.72(4). The state may contract public debt in an amount not to exceed \$10,000,000 for this purpose.

95-1145 submit cat - complete  
(with draft)

95-5712 follow and plan

~~MDK's draft~~

If the board provides financial assistance to a school ~~board~~ district or public library board, 50% of the total amount of fra.

NOW

Bo. makes loans. Sch dist or lib. bo. req'd to pay back only 1/2 amt of loan (remainder = "subsidy")

DRAFT

Bo. provides "financial assistance!" 1/2 = loan, 1/2 = grant. Sch dist or lib bo. req'd to pay back entire loan.

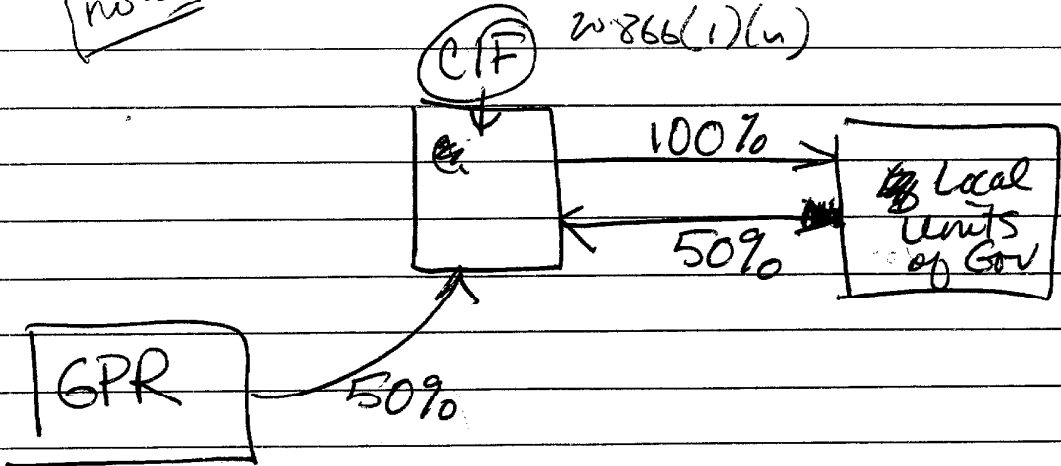
Steve Bld

118-33 + 118-30

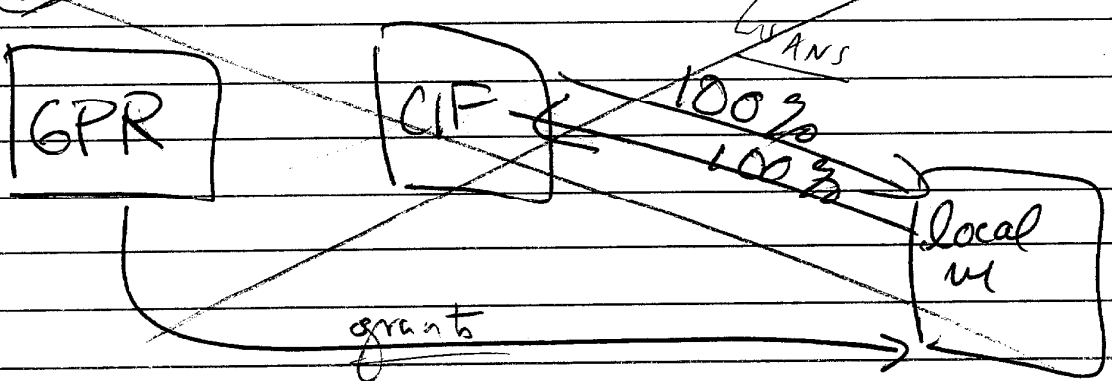
def. of "ret. criteria for eval. kids receive from the grant"

6-1771

new



~~bill~~



... currently ...

... we currently ...

... currently ...

... currently ...



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0249/P1

MDK:.....

cmh  
+  
jlg

NOTE

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

Sec 800

1 **AN ACT**...; relating to: financial assistance to school districts and public library  
2 boards for educational technology infrastructure.

***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be prepared for a subsequent version of this draft.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

3 **SECTION 1.** 20.275 (1)<sup>X</sup> (er) of the statutes is amended to read:  
4 20.275 (1) (er) *Principal, interest and rebates; general purpose revenue — public*  
5 *library boards.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of  
6 principal and interest costs incurred in financing <sup>✓</sup>subsidized educational technology  
7 infrastructure loans financial assistance<sup>✓</sup> to public library boards under s. 44.72 (4)  
8 and to make full payment of the amounts determined by the building commission

1 under s. 13.488 (1) (m), to the extent that these costs and payments are not paid  
2 under par. (hb).

3 History: 1997 a. 27, 237.

3 **SECTION 2.** 20.275 (1)<sup>X</sup>(es) of the statutes is amended to read:

4 20.275 (1) (es) *Principal, interest and rebates; general purpose revenue — school*  
5 *districts.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of principal  
6 and interest costs incurred in financing ~~subsidized~~<sup>✓</sup> educational technology  
7 infrastructure loans financial assistance<sup>✓</sup> to school districts under s. 44.72 (4) and to  
8 make full payment of the amounts determined by the building commission under s.  
9 13.488 (1) (m), to the extent that these costs and payments are not paid under par.  
10 (h).

11 History: 1997 a. 27, 237.

11 **SECTION 3.** 20.275 (1) (h)<sup>X</sup> of the statutes is amended to read:

12 20.275 (1) (h) *Principal, interest and rebates; program revenue — school*  
13 *districts.* All moneys received under s. 44.72 (4) (c) to reimburse s. 20.866 (1) (u) for  
14 the payment of principal and interest costs incurred in financing ~~subsidized~~<sup>✓</sup>  
15 educational technology infrastructure loans financial assistance<sup>✓</sup> to school districts  
16 under s. 44.72 (4) and to make full payment of the amounts determined by the  
17 building commission under s. 13.488 (1) (m).

18 History: 1997 a. 27, 237.

18 **SECTION 4.** 20.275 (1) (hb)<sup>X</sup> of the statutes is amended to read:

19 20.275 (1) (hb) *Principal, interest and rebates; program revenue — public*  
20 *library boards.* All moneys received under s. 44.72 (4) (c) to reimburse s. 20.866 (1)  
21 (u) for the payment of principal and interest costs incurred in financing ~~subsidized~~<sup>✓</sup>  
22 educational technology infrastructure loans financial assistance<sup>✓</sup> to public library

INSERT 3 - 10

1 boards under s. 44.72(4) and to make full payment of the amounts determined by the  
2 building commission under s. 13.488 (1) (m).

3 History: 1997 a. 27, 237.

3 SECTION 5. 20.866 (2) (zc) of the statutes is amended to read:

4 20.866 (2) (zc) *Technology for educational achievement in Wisconsin board;*  
5 *school district educational technology infrastructure loans* financial assistance.

6 From the capital improvement fund, a sum sufficient for the technology for  
7 educational achievement in Wisconsin board to ~~make subsidized~~ provide educational  
8 technology infrastructure loans financial assistance to school districts under s. 44.72

9 (4). The state may contract public debt in an amount not to exceed \$100,000,000 for  
10 this purpose.

SEE QUESTION SHEET

History: 1971 c. 42; 1971 c. 100 s. 23; 1971 c. 125, 211, 215, 236, 307, 330, 336; 1973 c. 90 ss. 148 to 149m, 555m (2); 1973 c. 333; 1975 c. 26, 39, 40, 41, 200, 224, 422; 1977 c. 4, 6; 1977 c. 29 ss. 385 to 387, 1650m (4), 1656 (43); 1977 c. 418; 1979 c. 4; 1979 c. 34 ss. 675a to 677v, 2102 (6) (a), (39) (a), (52) (a); 1979 c. 107, 221; 1981 c. 1 ss. 17, 18, 47; 1981 c. 20, 108, 317, 336; 1983 a. 27; 1983 a. 36 s. 96 (4); 1983 a. 97, 192, 195, 212; 1983 a. 410 s. 2202 (2); 1985 a. 6; 1985 a. 8 ss. 4, 12; 1985 a. 29 ss. 589m to 598, 3202 (23) (c), (26) (a), (53) (a); 1985 a. 77, 120, 332; 1987 a. 27, 295, 298, 399, 403, 409; 1989 a. 31, 46, 107, 122, 219, 336, 359, 366; 1991 a. 39, 51, 269, 309, 324; 1993 a. 2, 16, 98, 115, 213, 343, 377, 413, 437, 453, 485; 1995 a. 27 ss. 1159 to 1168s, 9126 (19), 9145 (1); 1995 a. 40, 57, 60, 113; 1995 a. 216, s. 30m and 9127; 1995 a. 227, 246, 372, 388, 416, 452; 1997 a. 27, 35, 61, 164, 237, 252.

11 SECTION 6. 44.72 (4) (title) of the statutes is amended to read:

12 44.72 (4) (title) ~~SUBSIDIZED EDUCATIONAL~~ EDUCATIONAL TECHNOLOGY  
13 INFRASTRUCTURE LOANS FINANCIAL ASSISTANCE.

14 History: 1997 a. 27, 41.

14 SECTION 7. 44.72 (4) (a) of the statutes is amended to read:

15 44.72 (4) (a) *Subsidized loans* Financial assistance authorized. The board may  
16 ~~make subsidized loans~~ provide financial assistance under this subsection to school  
17 districts from the proceeds of public debt contracted under s. 20.866 (2) (zc) and to  
18 public library boards from the proceeds of public debt contracted under s. 20.866 (2)  
19 (zcm). ~~Subsidized loans~~ Financial assistance under this subsection may be used only  
20 for the purpose of upgrading the electrical wiring of school and library buildings in  
21 existence on October 14, 1997, and installing and upgrading computer network

22 wiring

History: 1997 a. 27, 41.

1 SECTION 8. 44.72 (4) (b) of the statutes is amended to read:

2 44.72 (4) (b) ~~Subsidized loan~~ Financial assistance applications, terms and  
3 conditions. The board shall establish application procedures for, and the terms and  
4 conditions of, ~~subsidized loans~~ financial assistance under this subsection. The board  
5 shall make a loan to a school district or public library board in an amount equal to  
6 50% of the total amount of financial assistance for which the board determines the  
7 school district or public library board is eligible and provide a grant to the school  
8 district or public library board for the remainder of the total. The terms of any  
9 financial assistance under this subsection may include provision of professional  
10 building construction services under s. 16.85 (15). The board shall determine the  
11 interest rate on ~~these loans~~ under this subsection. The interest rate shall be as low  
12 as possible but shall be sufficient to fully pay all interest expenses incurred by the  
13 state in making the loans and to provide reserves that are reasonably expected to be  
14 required in the judgment of the board to ensure against losses arising from  
15 delinquency and default in the repayment of ~~subsidized~~ the loans. The term of a  
16 ~~subsidized~~ loan under this subsection may not exceed 10 years.

History: 1997 a. 27, 41.

17 SECTION 9. 44.72 (4) (c) of the statutes is amended to read:

18 44.72 (4) (c) Repayment of subsidized loans. ~~A school district's or public library~~  
19 ~~board's total payments on a loan made under this subsection shall be equal to 50%~~  
20 ~~of the total debt service on the loan, as determined by the board. A school district or~~  
21 ~~public library board is not obligated to pay the remaining 50% of the debt service on~~  
22 ~~the loan.~~ The board shall credit all moneys received from school districts ~~under this~~  
23 paragraph for repayment of loans under this subsection to the appropriation account  
24 under s. 20.275 (1) (h). The board shall credit all moneys received from public library

1 boards ~~under this paragraph~~ for repayment of loans under this subsection to the  
2 appropriation account under s. 20.275 (1) (hb).

3 History: 1997 a. 27, 41.

3 SECTION 10. 44.72 (4) (d) of the statutes is amended to read:

4 44.72 (4) (d) ~~Funding for subsidized loans~~ financial assistance.<sup>✓</sup> The board, with  
5 the approval of the governor and subject to the limits of s. 20.866 (2) (zc) and (zcm),  
6 may request that the building commission contract public debt in accordance with  
7 ch. 18 to fund ~~loans~~ financial assistance under this subsection.

8 History: 1997 a. 27, 41.

(END)<sup>✓</sup>

D-NOTE





**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0249/P1dn

MDK:.....

amp  
+  
Jlg

Ruth Hardy:

This preliminary draft addresses Section C of your budget request. Note that it is not necessary to amend s. 20.275 (1) (h),<sup>✓</sup> stats., because it already is a continuing appropriation. The "S" in the schedule is probably a typographical error. You may want to contact DOA so that the error is fixed when DOA prepares the schedule for the upcoming budget.

Mark D. Kunkel  
Legislative Attorney  
266-0131

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0249/P1dn  
MDK:cmh&jlg:lp

November 25, 1998

Ruth Hardy:

This preliminary draft addresses Section C of your budget request. Note that it is not necessary to amend s. 20.275 (1) (h), stats., because it already is a continuing appropriation. The "S" in the schedule is probably a typographical error. You may want to contact DOA so that the error is fixed when DOA prepares the schedule for the upcoming budget.

Mark D. Kunkel  
Legislative Attorney  
266-0131

*Rationale:* Because the block grants are distributed to school districts based on both statutory and constitutional formulas, this requirement has been an unnecessary administrative hurdle for both school districts and TEACH staff. The collection and verification of the resolutions has depleted valuable staff time that could better be spent on assisting school districts or collecting data useful for performance-based budgeting.

*Instruction:* Delete s. 44.72(c), except last sentence.

**C. Subsidized Educational Technology Infrastructure Loans** - 0249-IN

**1. Financial Assistance Loans and Grants - Technical**

*Change:* Replace language relating to "subsidized loans" with "financial assistance," and characterize funding to school districts as a 50% loan and 50% grant of total eligible funding.

*Rationale:* Under the current program, school districts and libraries may chose a loan term of two to ten years to pay off their 50% portion of the loan. However, because the state will always finance its 50% of the loan over ten years, school districts and libraries are liable for the loan until the end of the full ten years, regardless of the loan term they chose. This change would allow school districts and libraries to fully pay off their 50% loan within their chosen term and not be liable for ten years because the other 50% of the financial assistance would be a grant and no longer a forgivable loan.

*Instructions:* See attached draft.

**2. Continuing Program Revenue Debt Service Appropriation - Technical**

*Change:* Amend appropriation s. 20.275 (1)(h) in the Chapter 20 schedule to be a continuing, rather than a sum sufficient, program revenue appropriation. This would be consistent with the treatment of the other program revenue debt service appropriation, 20.275(1)(hb), under TEACH Wisconsin.

**D. Educational Telecommunications Access Program** - 0250

**1. Establish Program Under Chapter 44, Subchapter IV (TEACH Wisconsin) - Policy** - IN

*Current:* Under current law, the program is established under Wis. Stats. Chapter 196 (Public Service Commission) and authorizes the PSC to promulgate rules, report to the legislature and complete some administrative functions for the program. However, the appropriations and responsibility to operate the program rest with TEACH.

*Change:* Move the program from Chapter 196 to Chapter 44 (TEACH Wisconsin). Delete the requirement that the PSC promulgate rules for the educational telecommunications access program. Instead, require TEACH Wisconsin to administer the program following the statutory requirements established for the program. Delete all administrative functions delegated to the PSC, including reporting and documentation of contracts. Maintain the statutory requirements for administering the universal service fund with the PSC under Chapter 196, including assessing the necessary moneys to fund the telecommunications access program.

*Rationale:* Because the PSC does not administer the telecommunications access program, it has been administratively cumbersome to authorize the PSC to establish rules, report data and approve contracts for the program. The statutory authority for the program should reside with the agency that administers the program. Further, because TEACH Wisconsin is required to implement performance-based budgeting, it is crucial that TEACH be authorized to fully implement and administer the programs for which it will be ultimately held accountable.

*Instructions:* Make the necessary amendments to chapters 44 and 196 to reflect these changes.

**2. Expand Authority to Pay Telecommunications Providers - Policy** - OUT

*Current:* Under current law, TEACH may make payments on behalf of libraries and educational institutions for telecommunications services only to telecommunications providers under contracts with DOA.

*Change:* Permit TEACH Wisconsin to make payments to telecommunications providers under contracts with eligible institutions that have entered into such contracts following a competitive bidding process, in addition to those providers under contracts with DOA.

note: grant amounts?

note: w/o contracts w/ who?

20275(1)(b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) (q) (r) (s) (t) (u) (v) (w) (x) (y) (z) (aa) (ab) (ac) (ad) (ae) (af) (ag) (ah) (ai) (aj) (ak) (al) (am) (an) (ao) (ap) (aq) (ar) (as) (at) (au) (av) (aw) (ax) (ay) (az) (ba) (bb) (bc) (bd) (be) (bf) (bg) (bh) (bi) (bj) (bk) (bl) (bm) (bn) (bo) (bp) (bq) (br) (bs) (bt) (bu) (bv) (bw) (bx) (by) (bz) (ca) (cb) (cc) (cd) (ce) (cf) (cg) (ch) (ci) (cj) (ck) (cl) (cm) (cn) (co) (cp) (cq) (cr) (cs) (ct) (cu) (cv) (cw) (cx) (cy) (cz) (da) (db) (dc) (dd) (de) (df) (dg) (dh) (di) (dj) (dk) (dl) (dm) (dn) (do) (dp) (dq) (dr) (ds) (dt) (du) (dv) (dw) (dx) (dy) (dz) (ea) (eb) (ec) (ed) (ee) (ef) (eg) (eh) (ei) (ej) (ek) (el) (em) (en) (eo) (ep) (eq) (er) (es) (et) (eu) (ev) (ew) (ex) (ey) (ez) (fa) (fb) (fc) (fd) (fe) (ff) (fg) (fh) (fi) (fj) (fk) (fl) (fm) (fn) (fo) (fp) (fq) (fr) (fs) (ft) (fu) (fv) (fw) (fx) (fy) (fz) (ga) (gb) (gc) (gd) (ge) (gf) (gg) (gh) (gi) (gj) (gk) (gl) (gm) (gn) (go) (gp) (gq) (gr) (gs) (gt) (gu) (gv) (gw) (gx) (gy) (gz) (ha) (hb) (hc) (hd) (he) (hf) (hg) (hh) (hi) (hj) (hk) (hl) (hm) (hn) (ho) (hp) (hq) (hr) (hs) (ht) (hu) (hv) (hw) (hx) (hy) (hz) (ia) (ib) (ic) (id) (ie) (if) (ig) (ih) (ii) (ij) (ik) (il) (im) (in) (io) (ip) (iq) (ir) (is) (it) (iu) (iv) (iw) (ix) (iy) (iz) (ja) (jb) (jc) (jd) (je) (jf) (jg) (jh) (ji) (jj) (jk) (jl) (jm) (jn) (jo) (jp) (jq) (jr) (js) (jt) (ju) (jv) (jw) (jx) (jy) (jz) (ka) (kb) (kc) (kd) (ke) (kf) (kg) (kh) (ki) (kj) (kk) (kl) (km) (kn) (ko) (kp) (kq) (kr) (ks) (kt) (ku) (kv) (kw) (kx) (ky) (kz) (la) (lb) (lc) (ld) (le) (lf) (lg) (lh) (li) (lj) (lk) (ll) (lm) (ln) (lo) (lp) (lq) (lr) (ls) (lt) (lu) (lv) (lw) (lx) (ly) (lz) (ma) (mb) (mc) (md) (me) (mf) (mg) (mh) (mi) (mj) (mk) (ml) (mn) (mo) (mp) (mq) (mr) (ms) (mt) (mu) (mv) (mw) (mx) (my) (mz) (na) (nb) (nc) (nd) (ne) (nf) (ng) (nh) (ni) (nj) (nk) (nl) (nm) (nn) (no) (np) (nq) (nr) (ns) (nt) (nu) (nv) (nw) (nx) (ny) (nz) (oa) (ob) (oc) (od) (oe) (of) (og) (oh) (oi) (oj) (ok) (ol) (om) (on) (oo) (op) (oq) (or) (os) (ot) (ou) (ov) (ow) (ox) (oy) (oz) (pa) (pb) (pc) (pd) (pe) (pf) (pg) (ph) (pi) (pj) (pk) (pl) (pm) (pn) (po) (pp) (pq) (pr) (ps) (pt) (pu) (pv) (pw) (px) (py) (pz) (qa) (qb) (qc) (qd) (qe) (qf) (qg) (qh) (qi) (qj) (qk) (ql) (qm) (qn) (qo) (qp) (qq) (qr) (qs) (qt) (qu) (qv) (qw) (qx) (qy) (qz) (ra) (rb) (rc) (rd) (re) (rf) (rg) (rh) (ri) (rj) (rk) (rl) (rm) (rn) (ro) (rp) (rq) (rr) (rs) (rt) (ru) (rv) (rw) (rx) (ry) (rz) (sa) (sb) (sc) (sd) (se) (sf) (sg) (sh) (si) (sj) (sk) (sl) (sm) (sn) (so) (sp) (sq) (sr) (ss) (st) (su) (sv) (sw) (sx) (sy) (sz) (ta) (tb) (tc) (td) (te) (tf) (tg) (th) (ti) (tj) (tk) (tl) (tm) (tn) (to) (tp) (tq) (tr) (ts) (tt) (tu) (tv) (tw) (tx) (ty) (tz) (ua) (ub) (uc) (ud) (ue) (uf) (ug) (uh) (ui) (uj) (uk) (ul) (um) (un) (uo) (up) (uq) (ur) (us) (ut) (uu) (uv) (uw) (ux) (uy) (uz) (va) (vb) (vc) (vd) (ve) (vf) (vg) (vh) (vi) (vj) (vk) (vl) (vm) (vn) (vo) (vp) (vq) (vr) (vs) (vt) (vu) (vv) (vw) (vx) (vy) (vz) (wa) (wb) (wc) (wd) (we) (wf) (wg) (wh) (wi) (wj) (wk) (wl) (wm) (wn) (wo) (wp) (wq) (wr) (ws) (wt) (wu) (wv) (ww) (wx) (wy) (wz) (xa) (xb) (xc) (xd) (xe) (xf) (xg) (xh) (xi) (xj) (xk) (xl) (xm) (xn) (xo) (xp) (xq) (xr) (xs) (xt) (xu) (xv) (xw) (xx) (xy) (xz) (ya) (yb) (yc) (yd) (ye) (yf) (yg) (yh) (yi) (yj) (yk) (yl) (ym) (yn) (yo) (yp) (yq) (yr) (ys) (yt) (yu) (yv) (yw) (yx) (yz) (za) (zb) (zc) (zd) (ze) (zf) (zg) (zh) (zi) (zj) (zk) (zl) (zm) (zn) (zo) (zp) (zq) (zr) (zs) (zt) (zu) (zv) (zw) (zx) (zy) (zz)

O-NOTE

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DOA:.....Milioto - Educational technology infrastructure loans

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

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1 AN ACT <sup>...</sup> ~~to amend~~ 20.275 (1) (er), 20.275 (1) (es), 20.275 (1) (h), 20.275 (1) (hd),  
 2 20.866 (2) (zc), 20.866 (2) (zcm), 44.72 (4) (title), 44.72 (4) (a), 44.72 (4) (b), 44.72  
 3 (4) (c) and 44.72 (4) (d) of the statutes; relating to: financial assistance to school  
 4 districts and public library boards for educational technology infrastructure.

**Analysis by the Legislative Reference Bureau**

~~This is a preliminary draft. An analysis will be prepared for a subsequent version of this draft.~~

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

**The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:**

5 SECTION 1. 20.275 (1) (er) of the statutes is amended to read:  
 6 20.275 (1) (er) *Principal, interest and rebates; general purpose revenue — public*  
 7 *library boards.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of

1 principal and interest costs incurred in financing ~~subsidized~~ educational technology  
2 infrastructure loans financial assistance to public library boards under s. 44.72 (4)  
3 and to make full payment of the amounts determined by the building commission  
4 under s. 13.488 (1) (m), to the extent that these costs and payments are not paid  
5 under par. (hb).

6 **SECTION 2.** 20.275 (1) (es) of the statutes is amended to read:

7 20.275 (1) (es) *Principal, interest and rebates; general purpose revenue — school*  
8 *districts.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of principal  
9 and interest costs incurred in financing ~~subsidized~~ educational technology  
10 infrastructure loans financial assistance to school districts under s. 44.72 (4) and to  
11 make full payment of the amounts determined by the building commission under s.  
12 13.488 (1) (m), to the extent that these costs and payments are not paid under par.  
13 (h).

14 **SECTION 3.** 20.275 (1) (h) of the statutes is amended to read:

15 20.275 (1) (h) *Principal, interest and rebates; program revenue — school*  
16 *districts.* All moneys received under s. 44.72 (4) (c) to reimburse s. 20.866 (1) (u) for  
17 the payment of principal and interest costs incurred in financing ~~subsidized~~  
18 educational technology infrastructure loans financial assistance to school districts  
19 under s. 44.72 (4) and to make full payment of the amounts determined by the  
20 building commission under s. 13.488 (1) (m).

21 **SECTION 4.** 20.275 (1) (hb) of the statutes is amended to read:

22 20.275 (1) (hb) *Principal, interest and rebates; program revenue — public*  
23 *library boards.* All moneys received under s. 44.72 (4) (c) to reimburse s. 20.866 (1)  
24 (u) for the payment of principal and interest costs incurred in financing ~~subsidized~~  
25 educational technology infrastructure loans financial assistance to public library

1 boards under s. 44.72 (4) and to make full payment of the amounts determined by the  
2 building commission under s. 13.488 (1) (m).

3 SECTION 5. 20.866 (2) (zc) of the statutes is amended to read:

4 20.866 (2) (zc) *Technology for educational achievement in Wisconsin board;*  
5 *school district educational technology infrastructure loans financial assistance.*

6 From the capital improvement fund, a sum sufficient for the technology for  
7 educational achievement in Wisconsin board to ~~make subsidized~~ provide educational  
8 technology infrastructure loans financial assistance to school districts under s. 44.72  
9 (4). The state may contract public debt in an amount not to exceed \$100,000,000 for  
10 this purpose.

→ Note: bud

11 SECTION 6. 20.866 (2) (zcm) of the statutes is amended to read:

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13 *public library educational technology infrastructure loans financial assistance.*

14 From the capital improvement fund, a sum sufficient for the technology for  
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20 44.72 (4) (title) ~~SUBSIDIZED—EDUCATIONAL~~ EDUCATIONAL TECHNOLOGY  
21 INFRASTRUCTURE LOANS FINANCIAL ASSISTANCE.

22 SECTION 8. 44.72 (4) (a) of the statutes is amended to read:

23 44.72 (4) (a) ~~Subsidized loans~~ Financial assistance authorized. The board may  
24 ~~make subsidized loans~~ provide financial assistance under this subsection to school  
25 districts from the proceeds of public debt contracted under s. 20.866 (2) (zc) and to

1 public library boards from the proceeds of public debt contracted under s. 20.866 (2)  
2 (zcm). ~~Subsidized loans~~ Financial assistance under this subsection may be used only  
3 for the purpose of upgrading the electrical wiring of school and library buildings in  
4 existence on October 14, 1997, and installing and upgrading computer network  
5 wiring.

6 SECTION 9. 44.72 (4) (b) of the statutes is amended to read:

7 44.72 (4) (b) ~~Subsidized loan~~ Financial assistance applications, terms and  
8 conditions. The board shall establish application procedures for, and the terms and  
9 conditions of, ~~subsidized loans~~ financial assistance under this subsection. The board  
10 shall make a loan to a school district or public library board in an amount equal to  
11 50% of the total amount of financial assistance for which the board determines the  
12 school district or public library board is eligible and provide a grant to the school  
13 district or public library board for the remainder of the total. The terms of any  
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15 building construction services under s. 16.85 (15). The board shall determine the  
16 interest rate on ~~these loans~~ under this subsection. The interest rate shall be as low  
17 as possible but shall be sufficient to fully pay all interest expenses incurred by the  
18 state in making the loans and to provide reserves that are reasonably expected to be  
19 required in the judgment of the board to ensure against losses arising from  
20 delinquency and default in the repayment of ~~subsidized~~ the loans. The term of a  
21 ~~subsidized loan~~ under this subsection may not exceed 10 years.

22 SECTION 10. 44.72 (4) (c) of the statutes is amended to read:

23 44.72 (4) (c) ~~Repayment of subsidized loans. A school district's or public library~~  
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25 ~~of the total debt service on the loan, as determined by the board. A school district or~~



1 ~~public library board is not obligated to pay the remaining 50% of the debt service on~~  
2 ~~the loan.~~ The board shall credit all moneys received from school districts ~~under this~~  
3 ~~paragraph for repayment of loans under this subsection~~ to the appropriation account  
4 under s. 20.275 (1) (h). The board shall credit all moneys received from public library  
5 boards ~~under this paragraph for repayment of loans under this subsection~~ to the  
6 appropriation account under s. 20.275 (1) (hb).

7 **SECTION 11.** 44.72 (4) (d) of the statutes is amended to read:

8 44.72 (4) (d) *Funding for ~~subsidized loans~~ financial assistance.* The board, with  
9 the approval of the governor and subject to the limits of s. 20.866 (2) (zc) and (zcm),  
10 may request that the building commission contract public debt in accordance with  
11 ch. 18 to fund ~~loans~~ *financial assistance* under this subsection.

12 (END)

1999-2000 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0249/lins  
MDK:.....

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INSERT A:

Under current law, the technology for educational achievement in Wisconsin board (TEACH board) administers a loan program under which it makes subsidized loans to school districts and public library boards for the purpose of upgrading electrical wiring in certain school and library facilities and installing and upgrading computer network wiring. A school district's or public library board's total payments on such a loan may not exceed 50% of the total debt service of the loan.

This bill revises the loan program so that the TEACH board provides financial assistance to school districts and public library boards for the same purposes. The TEACH board may make a subsidized loan for 50% of the financial assistance and a grant for the remainder of the assistance.

EDUCATION - HEAD

→ = OTHER EDUCATIONAL  
AND CULTURAL  
AGENCIES

SUB

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0249/1dn  
MDK:.....

*cmf*  
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Steve Milioto:

This version is identical to LRB-0249/P1, except for the inclusion of an analysis.

Mark D. Kunkel  
Legislative Attorney  
266-0131

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**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0249/1dn  
MDK:cmh&jlg:hmh

Wednesday, January 20, 1999

Steve Milioto:

This version is identical to LRB-0249/P1, except for the inclusion of an analysis.

Mark D. Kunkel  
Legislative Attorney  
266-0131



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-0249/1  
MDK:cmh&jlg:hmh

DOA:.....Milioto - Educational technology infrastructure loans

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

- 1 AN ACT ...; relating to: financial assistance to school districts and public library  
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*Analysis by the Legislative Reference Bureau*

EDUCATION

OTHER EDUCATIONAL AND CULTURAL AGENCIES

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This bill revises the loan program so that the TEACH board provides financial assistance to school districts and public library boards for the same purposes. The TEACH board may make a subsidized loan for 50% of the financial assistance and a grant for the remainder of the assistance.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 20.275 (1) (er) of the statutes is amended to read:

2           20.275 (1) (er) *Principal, interest and rebates; general purpose revenue — public*  
3 *library boards.* A sum sufficient to reimburse s. 20.866 (1) (u) for the payment of  
4 principal and interest costs incurred in financing ~~subsidized~~ educational technology  
5 infrastructure loans financial assistance to public library boards under s. 44.72 (4)  
6 and to make full payment of the amounts determined by the building commission  
7 under s. 13.488 (1) (m), to the extent that these costs and payments are not paid  
8 under par. (hb).

9           **SECTION 2.** 20.275 (1) (es) of the statutes is amended to read:

10           20.275 (1) (es) *Principal, interest and rebates; general purpose revenue — school*  
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13 infrastructure loans financial assistance to school districts under s. 44.72 (4) and to  
14 make full payment of the amounts determined by the building commission under s.  
15 13.488 (1) (m), to the extent that these costs and payments are not paid under par.  
16 (h).

17           **SECTION 3.** 20.275 (1) (h) of the statutes is amended to read:

18           20.275 (1) (h) *Principal, interest and rebates; program revenue — school*  
19 *districts.* All moneys received under s. 44.72 (4) (c) to reimburse s. 20.866 (1) (u) for  
20 the payment of principal and interest costs incurred in financing ~~subsidized~~  
21 educational technology infrastructure loans financial assistance to school districts  
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23 building commission under s. 13.488 (1) (m).

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6 building commission under s. 13.488 (1) (m).

7           **SECTION 5.** 20.866 (2) (zc) of the statutes is amended to read:

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13 (4). The state may contract public debt in an amount not to exceed \$100,000,000 for  
14 this purpose.

      \*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
reflected in the revised schedule in s. 20.005, stats.

15           **SECTION 6.** 20.866 (2) (zcm) of the statutes is amended to read:

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18 From the capital improvement fund, a sum sufficient for the technology for  
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20 technology infrastructure ~~loans~~ financial assistance to public library boards under  
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      \*\*\*NOTE: This SECTION involves a change in an appropriation that must be  
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2           44.72 (4) (title)   ~~SUBSIDIZED—EDUCATIONAL~~   EDUCATIONAL   TECHNOLOGY  
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4           **SECTION 8.** 44.72 (4) (a) of the statutes is amended to read:

5           44.72 (4) (a) ~~Subsidized loans~~ Financial assistance authorized. The board may  
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7   districts from the proceeds of public debt contracted under s. 20.866 (2) (zc) and to  
8   public library boards from the proceeds of public debt contracted under s. 20.866 (2)  
9   (zcm). ~~Subsidized loans~~ Financial assistance under this subsection may be used only  
10   for the purpose of upgrading the electrical wiring of school and library buildings in  
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12   wiring.

13          **SECTION 9.** 44.72 (4) (b) of the statutes is amended to read:

14          44.72 (4) (b) ~~Subsidized loan~~ Financial assistance applications, terms and  
15   conditions. The board shall establish application procedures for, and the terms and  
16   conditions of, ~~subsidized loans~~ financial assistance under this subsection. The board  
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23   interest rate on ~~these loans~~ under this subsection. The interest rate shall be as low  
24   as possible but shall be sufficient to fully pay all interest expenses incurred by the  
25   state in making the loans and to provide reserves that are reasonably expected to be



1 required in the judgment of the board to ensure against losses arising from  
2 delinquency and default in the repayment of ~~subsidized~~ the loans. The term of a  
3 ~~subsidized~~ loan under this subsection may not exceed 10 years.

4 **SECTION 10.** 44.72 (4) (c) of the statutes is amended to read:

5 44.72 (4) (c) *Repayment of ~~subsidized~~ loans.* ~~A school district's or public library~~  
6 ~~board's total payments on a loan made under this subsection shall be equal to 50%~~  
7 ~~of the total debt service on the loan, as determined by the board. A school district or~~  
8 ~~public library board is not obligated to pay the remaining 50% of the debt service on~~  
9 ~~the loan.~~ The board shall credit all moneys received from school districts ~~under this~~  
10 paragraph for repayment of loans under this subsection to the appropriation account  
11 under s. 20.275 (1) (h). The board shall credit all moneys received from public library  
12 boards ~~under this paragraph for repayment of loans under this subsection~~ to the  
13 appropriation account under s. 20.275 (1) (hb).

14 **SECTION 11.** 44.72 (4) (d) of the statutes is amended to read:

15 44.72 (4) (d) *Funding for ~~subsidized loans~~ financial assistance.* The board, with  
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17 may request that the building commission contract public debt in accordance with  
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19

(END)