

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: **05/18/99**

Received By: **kunkemd**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Worzala**

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

Drafter: **kunkemd**

May Contact:

Alt. Drafters:

Subject: **Public Util. - misc.**

Extra Copies:

Pre Topic:

LFB:.....Worzala -

Topic:

Elimination of assistance to institutions program under the universal service fund

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>
/1	kunkemd 05/21/99	ygeller 05/22/99	jfrantze 05/23/99	_____	lrb_docadmin 05/23/99		
	kunkemd 06/1/99	ygeller 06/1/99		_____			
/2	kunkemd 06/10/99	ygeller 06/11/99	jfrantze 06/1/99	_____	lrb_docadmin 06/1/99		
/3			mclark 06/11/99	_____	lrb_docadmin 06/11/99		
/4	grantpr 06/15/99	chanaman 06/15/99	jfrantze 06/15/99	_____	ismith 06/15/99		

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/2	kunkemd 06/10/99	kgeller 06/11/99	jfrantze 06/1/99	_____	lrb_docadmin 06/1/99		
/3			mclark 06/11/99	_____	lrb_docadmin 06/11/99		

FE Sent For:

*cmh
6/15
lu*

6/13

6/15

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Extra Copies:

Tricia Collins (E-Mailed)
LFB
9/15

Pre Topic:

LFB:.....Worzala -

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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>
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			MRC 6/1/99	MRC/JF 6/1/99			

FE Sent For:

<END>

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May Contact:

Alt. Drafters:

Subject: Public Util. - misc.

Extra Copies: Tercia Collins, LFB

Pre Topic:

LFB:.....Worzala -

Topic:

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Drafting History:

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/1	kunkemd 05/21/99	jgeller 05/22/99	jfrantze 05/23/99	_____	lrb_docadmin 05/23/99		

FE Sent For:

Handwritten signatures and initials: 1/6/jlg, JG, JF, and a signature with 'K' and 'M'. Below is the text <END>

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/?	kunkemd	11 5/22 jlg	76 5/23	76 5/23			

FE Sent For:

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

April 27, 1999

Joint Committee on Finance

Paper #810

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

[LFB 1999-01 Budget Summary: Page 517, #1, Page 519, #3 and Page 569, #12]

CURRENT LAW

The PSC assistance to institutions program (also known as the 30-20-10 program or the institutional discount program) provides three-year grants for partial reimbursement for new telecommunication services to eligible not-for-profit schools, private schools, charter schools, colleges and universities, technical college districts, public libraries and not-for-profit hospitals. Reimbursable services include two-way interactive video services, high-speed data transfer, toll call access to the internet, and direct internet access. Grant levels are set at the lower of 30% of the monthly charge or \$300 per month the first year, 20% of the monthly charge or \$200 per month the second year, and 10% of the monthly charge or \$100 per month the third year. This program is funded from the universal service fund (USF) and the base budget for this program in 1998-99 is \$2,000,000 SEG.

GOVERNOR

Reduce funding in the universal telecommunications service appropriation funded from the USF by \$1,700,000 SEG in 1999-00 and \$2,000,000 SEG in 2000-01 and repeal the PSC assistance for institutions program.

Transfer existing remaining commitments for the grant program to the TEACH Board on the general effective date of the bill and require the Board to provide remaining payments to those institutions eligible for remaining grants under the program. A TEACH Board appropriation, funded from the USF at \$67,200 SEG in 1999-01 and \$9,100 SEG in 2000-01, would be created to pay for the cost of these remaining grants in the 1999-01 biennium. Expenditures from this appropriation would be prohibited after June 30, 2001. Create language

authorizing the transfer of assets and liabilities from PSC to the TEACH Board and modify the USF statute relating to assessment of telecommunications providers for USF programs.

DISCUSSION POINTS

1. The USF was established under 1993 Wisconsin Act 496 to ensure that all state residents receive essential telecommunications services and have access to advanced telecommunications capabilities such as the internet. The focus of Act 496 was to deregulate the telecommunications utilities in Wisconsin, increase competition among telecommunications companies and, as part of the agreement on deregulation, provide universal service to Wisconsin residents by establishing the USF to fund programs for this purpose.

2. The statutory uses of the USF for PSC-related programs are to: (a) assist customers in areas of this state that have relatively high costs of telecommunications services, low-income customers and disabled customers in obtaining affordable access to a basic set of essential telecommunications services; (b) assist in the deployment of advanced service capabilities of a modern telecommunications infrastructure throughout the state; (c) promote affordable access throughout this state to high quality education, library and health care information services; and (d) pay for the costs of administering the fund.

3. To implement the legislative directive to provide universal service, the PSC was authorized to promulgate, by administrative rule, the programs to be funded from the USF. To ensure both consumer and telecommunications provider input into this process, Act 496 authorized the PSC to appoint a USF Council to advise the Commission on the creation and implementation of PSC programs to be funded from the USF. The USF Council consists of representatives of the telecommunications providers and consumers of telecommunications services and the statutes require that a majority of members be representatives of telecommunications consumers. As part of its responsibilities, the Council is to make recommendations to the PSC on the administration of the USF statute and the content of rules promulgated by the PSC under that statute.

4. To fund expenditures from the USF appropriation, the PSC assesses telecommunication utilities that have gross intrastate telecommunications revenues of greater than \$200,000. Act 496 authorized the PSC to set the level of assessments sufficient to fund the PSC programs. Assessments are made monthly; however, assessments for the PSC programs were suspended in January of 1998 because of surplus revenues in the USF relative to actual expenditure levels.

5. The assistance to institutions program was established in 1996 when the first USF administrative rules became effective. The program is aimed at meeting the statutory goal of promoting affordable access throughout this state to high quality education, library and health care information services. The program provides partial reimbursement for new telecommunications services to eligible not-for-profit schools, private schools, charter schools, colleges and universities, technical college districts, public libraries and not-for-profit hospitals. Since the program's first inclusion in the USF budget in 1997-98, the PSC has budgeted \$2,000,000 SEG annually for this

program. However, the largest amount expended for this program in any fiscal year, including estimated expenditures for this fiscal year, was in 1997-98 when a total of \$285,000 SEG was expended. To date, 255 schools, 26 libraries and four non-profit hospitals have received grants under the program.

6. Subsequent to the establishment of the PSC programs funded under the USF, 1997 Act 27 created the Technology for Educational Achievement (TEACH) Board and established an educational telecommunications access program under the Board to support the provision of advanced telecommunication services to eligible school districts, private schools, CESAs, technical college districts, private and tribal colleges and public library boards. Under the TEACH access program, an eligible entity pays, not to exceed \$250 per month, for a data line or video link and the TEACH access program pays the remainder of the cost. The TEACH access program, like the PSC assistance to institutions program, is funded from the USF. However, separate assessment processes fund the two programs. In 1998-99, a total of 598 entities have received telecommunications access services at an estimated cost of \$12,316,400 SEG under the TEACH access program. The entities consisted of 355 public school districts, four CESAs, 16 technical college districts, 168 public library boards, 18 private colleges, 36 private K-12 schools and one tribal school.

7. The Legislature recognized the potential for overlap between the PSC assistance to institutions program and the new TEACH access program when the latter program was created by 1997 Act 27. Therefore, as a part that Act, the Legislature directed the PSC to report to the Governor and the Legislature with recommendations for reducing programmatic and funding differences between the two programs. That report was submitted by the PSC on December 23, 1998. In its report, the PSC recommended that DOA and the PSC continue discussions on developing a legislative proposal for the possible combination of the two programs, including possibly phasing out the PSC assistance to institutions program for schools and libraries.

8. The Governor's budget eliminates the PSC assistance to institutions program and makes a corresponding reduction of \$1,700,000 SEG in 1999-00 and \$2,000,000 SEG in 2000-01 in PSC's appropriation funded from the USF. Existing commitments estimated at \$67,200 SEG in 1999-00 and \$9,100 SEG in 2000-01 are transferred to the TEACH Board and an appropriation, funded from the USF, is created to fund the cost of these remaining grants in the 1999-01 biennium. Lastly, language authorizing the transfer to the TEACH Board of all assets and liabilities, contracts, rules and orders associated with the assistance to institutions program is included in the bill along with a modification of the current assessment language.

9. In an April 8, 1999, letter to the Joint Committee on Finance, Secretary Bugher has indicated that DOA now supports a modification to the Governor's recommendation regarding the PSC's assistance to institutions program. The requested modification would retain the repeal of the assistance to institutions program but have PSC retain the responsibilities for paying the remaining commitments under the program. As a result, under the requested modification, all of the proposed changes to the TEACH Board's budget and responsibilities would be deleted from the bill, including the proposed change in assessment language. According to DOA staff, the intent is that the only

statutory changes that would then remain in the bill would be the provision that repeals the use of USF funds for the assistance to institutions program and the reduction of funding budgeted for that program.

10. If the Committee agrees with the recommendation to terminate the assistance to institutions program, the modifications proposed by Secretary seem reasonable. It is not necessary to involve the TEACH Board in the remaining commitments under the PSC assistance to institutions program. The PSC already has a relationship with these institutions and the remaining activity associated with phasing out the program would consist simply of providing the two additional years of grants (under the three-year grant program) to institutions that are already receiving funding. However, since the statutory authorization for the program would be repealed on the effective date of the budget bill, a session law provision would be necessary to allow the PSC to make the remaining payments due under the program.

11. If the Committee decides to eliminate the assistance to institutions program, it should consider a further modification to the Governor's proposal to provide a reduction to the USF appropriation under the PSC that more accurately accounts for the remaining PSC commitments. The Governor's reduction of \$1,700,000 SEG in 1999-01 left \$300,000 SEG in the universal telecommunications service appropriation that was previously budgeted for the assistance to institutions program. Using updated estimates from PSC, if the assistance to institutions program were eliminated, the remaining commitments would be \$71,000 SEG in 1999-00 and \$10,900 SEG in 2000-01. Therefore, the Committee could reduce the base level appropriation amount by a total of \$1,929,000 SEG in 1999-00 and \$1,989,100 SEG in 2000-01 to more accurately reflect the remaining commitments under the assistance to institutions program that need to be funded in the next biennium.

12. The primary arguments for eliminating the assistance to institutions program are that the PSC program is substantially duplicative of the TEACH program and the latter program is being more widely used because it provides larger grants. Both programs are: (a) primarily used by educational institutions and libraries; (b) support the broad purpose of improving access to advanced telecommunications services; and (c) are funded from assessments levied against telecommunications providers. In terms of usage, the TEACH program has provided grants to almost 600 participants in 1998-99 at a cost of approximately \$12.3 million SEG while the PSC program is expected to expend about \$205,000 SEG in 1998-99 for grants to less than 300 participants. The PSC report illustrated why the TEACH educational telecommunications access program is so much more financially attractive than the PSC assistance to institutions grant program. Assuming a \$1,500 charge for a video link, a school or other institution would pay \$250 per month on an ongoing basis under the TEACH program with the TEACH telecommunications access program paying the remainder. Under the assistance to institutions program, the school or other institution would have to pay \$1,200 per month in the first year, \$1,300 in the second year and \$1,400 in the third year and then the full \$1,500 per month thereafter.

13. While the two programs are programmatically similar, particularly in fact that the overall goal of both programs is to support the provision of advanced telecommunications services

to schools, libraries and certain other institutions, there are several differences that can be pointed out. These differences are identified below:

- **Services** – The PSC grant is limited to new services while the TEACH program includes support to schools that have existing data lines or video links.

- **Eligible institutions** – Non-profit hospitals are eligible under the PSC program whereas the TEACH grants are only for educational institutions and public libraries. A total of four non-profit hospitals are estimated to receive grants in 1998-99 totaling \$3,300 SEG. Among educational institutions, the PSC grant may be awarded to each school in a school district while the number of TEACH grants available to a school district is limited to the number of high schools in that school district. Also, CESAs are not eligible under the PSC program but are eligible under the TEACH program.

- **Grant amounts** – The PSC grant is limited to 30% of the cost of the service the first year, then declines to 20% in the second year, then to 10% in the third year of the grant and then is eliminated after the third year. The TEACH grant sets a maximum cost to the institution of \$250 per month and is ongoing so long as funds are appropriated for the program.

- **Assessments** – While both programs are funded by assessments on the same telecommunication providers, how these providers recover their universal service fund assessments from their customers is different for each program. In the case of the PSC program assessments, the telecommunications providers may not change their rates due to the assessments without following established rate changing procedures. These procedures include not exceeding maximum increases for price regulated telecommunication providers and obtaining PSC rate approval for other providers. In the case of assessments for TEACH programs, all telecommunication providers may change their rates without seeking PSC approval to recover the amounts they pay in TEACH assessments. Furthermore, a reference to the rate increase may be included on a customers bill but a provider may not impose a surcharge on bills for the assessments.

14. Two other points regarding the elimination of the assistance to institutions program may be noted. First, while the TEACH program does provide more financially attractive grants, some institutions have continued to take PSC grants in 1998-99. Second, the PSC is authorized to modify the universal service fund programs administratively and could modify the program to make it more attractive, including targeting other institutions. The PSC on February 28, 1999, issued a proposed administrative rule which would modify a number of the USF programs and also create some new programs. This proposed rule includes proposals to: (a) change the reimbursement rate under the assistance to institutions program to a flat 20% annually for the three-year period of the grant; and (b) expand the eligible institutions to include CESAs, school administration buildings and public library systems (only individual public libraries are eligible now).

15. One alternative the Committee could choose, anticipating the current rulemaking, would be to eliminate the assistance to institutions program but retain the \$2,000,000 SEG to pay the remaining commitments and use the remainder for different USF programs. The proposed

rulemaking includes several new programs and an expansion of existing programs. This option would retain the \$2,000,000 in question for allocation to existing or new USF programs, except for the assistance to institutions program.

16. A second alternative the Committee could choose would be to retain the program, but budget the program at an appropriation level equal to this biennium's average level of spending, an estimated \$245,000 annually. This would ensure that all current eligible participants in the program, whether eligible for the TEACH program or not, would have access to a program that provides some support for new telecommunications services. Under this alternative, the net adjustment to PSC's base level USF appropriation would be a reduction of \$1,715,000 SEG in 1999-00 and in 2000-01.

17. A final alternative would be to maintain current law and retain \$2,000,000 SEG annually in the USF appropriation for the assistance to institutions program.

ALTERNATIVES TO BASE

1. Approve the Governor's modified recommendation by: (a) repealing the assistance to institutions program effective with the passage of the budget; (b) reducing the base level of the universal telecommunications service appropriation by \$1,929,000 SEG in 1999-00 and \$1,989,100 million SEG in 2000-01 to reflect the funding only of remaining commitments under the program; (c) deleting any transfer of the program to the TEACH Board; (d) retaining the current law assessment language; and (e) deleting the appropriation of \$67,200 SEG in 1999-00 and \$9,100 SEG in 2000-01 under the TEACH Board to pay remaining commitments under the program. *(Under this alternative, base funding of \$2,000,000 SEG annually for the assistance to institutions program would be eliminated, except that funds to pay remaining commitments of \$71,000 SEG in 1999-00 and \$10,900 SEG in 2000-01 would be retained in the appropriation.)*

<u>Alternative 1</u>	<u>SEG</u>
1999-01 FUNDING (Change to Base)	- \$3,918,100
<i>[Change to Bill]</i>	<i>- \$294,400]</i>

2. Eliminate the assistance to institutions program but retain the funding for the remaining commitments under the assistance to institutions program and for other USF programs. *(Under this alternative, the assistance to institutions program would be eliminated but funding of \$2,000,000 SEG annually would be retained in the USF appropriation for expenditures on other programs as determined by the PSC.)*

<u>Alternative 2</u>	<u>SEG</u>
1999-01 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>\$3,623,700]</i>

3. Continue the assistance to institutions program but reduce the base level funding for the USF appropriation by \$1,715,000 SEG annually to provide funding for this program in 1999-01 at the current expenditure level estimated for this biennium. *(Under this alternative, no appropriation would be created under the TEACH Board, no statutory changes would be made to the language for the assistance to institutions program and the budget for assistance to institutions program would be set at \$245,000 SEG annually.)*

Alternative 3	SEG
1999-01 FUNDING (Change to Base)	- \$3,510,000
<i>[Change to Bill]</i>	<i>- \$113,700]</i>

4. Maintain current law. *(Under this alternative, the assistance to institutions program would be continued and funding of \$2,000,000 SEG annually would be budgeted for the program.)*

Alternative 4	SEG
1999-01 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>\$3,623,700]</i>

Prepared by: David Worzala

Worzala, David

From: Worzala, David
Sent: Sunday, May 02, 1999 6:47 PM
To: Kunkel, Mark
Subject: JFC PSC action

Hi Mark

I am finally getting around to sending you the budget drafts we need to implement what the JFC decided on PSC. The following are the changes to the Governor's budget that were approved. Any supplemental materials I mention, such as motions, I have faxed to you.

USF Part 1

1. ~~Assistance to institutions~~. Option 2 was selected. This option deletes everything from LRB draft 1950/4 except section 3 that repeals 196.218(5)(a)3. Note the amendments below.

2. Motion 608 - by Rep. Huber passed and requires a statutory enumeration for a new program for nonprofit medical clinics and public health agencies. Note the dollar cap at \$500,000 annually. I will also send you an April 19 letter to the committee that may give you additional context.

USF Part 2 - Choose current law but locked up year two funding into the Committees appropriation.

3. ~~Motion 191~~ - Enumerate the Newsline program as a USF program. The dollar amounts should be in session law but the eligibility of Newsline to be funded from the USF is to be statutory.

4. ~~Motion 187~~ - Require PSC to annually provide all W2 organizations, as identified by DWD with information on the existence of the PSC programs and how assistance can be obtained.

If you have any questions, let me know. Thanks DW 6-9915.

rulemaking includes several new programs and an expansion of existing programs. This option would retain the \$2,000,000 in question for allocation to existing or new USF programs, except for the assistance to institutions program.

16. A second alternative the Committee could choose would be to retain the program, but budget the program at an appropriation level equal to this biennium's average level of spending, an estimated \$245,000 annually. This would ensure that all current eligible participants in the program, whether eligible for the TEACH program or not, would have access to a program that provides some support for new telecommunications services. Under this alternative, the net adjustment to PSC's base level USF appropriation would be a reduction of \$1,715,000 SEG in 1999-00 and in 2000-01.

17. A final alternative would be to maintain current law and retain \$2,000,000 SEG annually in the USF appropriation for the assistance to institutions program.

ALTERNATIVES TO BASE

1. Approve the Governor's modified recommendation by: (a) repealing the assistance to institutions program effective with the passage of the budget; (b) reducing the base level of the universal telecommunications service appropriation by \$1,929,000 SEG in 1999-00 and \$1,989,100 million SEG in 2000-01 to reflect the funding only of remaining commitments under the program; (c) deleting any transfer of the program to the TEACH Board; (d) retaining the current law assessment language; and (e) deleting the appropriation of \$67,200 SEG in 1999-00 and \$9,100 SEG in 2000-01 under the TEACH Board to pay remaining commitments under the program. *(Under this alternative, base funding of \$2,000,000 SEG annually for the assistance to institutions program would be eliminated, except that funds to pay remaining commitments of \$71,000 SEG in 1999-00 and \$10,900 SEG in 2000-01 would be retained in the appropriation.)*

Alternative 1	SEG
1999-01 FUNDING (Change to Base)	- \$3,918,100
(Change to Bill)	- \$294,400

2. Eliminate the assistance to institutions program but retain the funding for the remaining commitments under the assistance to institutions program and for other USF programs. *(Under this alternative, the assistance to institutions program would be eliminated but funding of \$2,000,000 SEG annually would be retained in the USF appropriation for expenditures on other programs as determined by the PSC.)*

Alternative 2	SEG
1999-01 FUNDING (Change to Base)	\$0
(Change to Bill)	\$3,623,700

PUBLIC SERVICE COMMISSION - UNIVERSAL SERVICE FUND

**Assistance to Institutions Program Elimination
(Paper # 810 - Substitute for Alternative 2)**

Motion:

Move to eliminate the assistance to institutions program but retain the current level of program funding for remaining commitments under the assistance to institutions program and for other USF programs. In addition, create a statutory enumeration for a new program under the USF to provide assistance to nonprofit medical clinics and public health agencies for the purchase of telecommunications equipment that would be used by these entities to assist clients. Require the PSC to promulgate rules to implement this new program and specify that expenditures for this program be capped at \$500,000 SEG per year.

*Log Council
telemedicine*

Note:

This motion would eliminate the current assistance to institutions program but retain the \$2,000,000 SEG budgeted annually for existing commitments under the assistance to institutions program, for other USF programs and for \$500,000 SEG annually for a new program that would provide funding to purchase telecommunications equipment for non-profit clinics and public health agencies. Statutory language would be drafted to make funding telecommunication equipment purchases by nonprofit medical clinics and public health agencies an eligible expense from the universal service fund. The PSC would be directed to promulgate rules for the operation of this new program.

[Change to Base: \$0]
[Change to Bill: \$3,623,700 SEG]

*Robert
Shib-*
(9-7)

MO#	LO#
Burke	Y
Decker	Y
Jauch	Y
Moore	Y
Shiblek	Y
Plache	Y
Cowles	Y
Panzer	Y
Gard	Y
Porter	Y
Kaufert	Y
Albers	Y
Duff	Y
Ward	Y
Huber	Y
Riley	Y

Motion #608

TO: David Wengala
 R. Rep. Haber
 7-6873

Mark

State of Wisconsin
 JOINT LEGISLATIVE COUNCIL

Special Committee on
 Telemedicine Issues
 Representative Frank Urban
 Chairperson



Committee Staff:
 One East Main Street, Suite 401
 P.O. Box 2536
 Madison, WI 53701-2536
 Telephone: (608) 266-1304
 Fax: (608) 266-3830
 Email: leg.council@legis.state.wi.us

April 19, 1999

Senator Brian Burke, Cochairperson
 Joint Finance Committee
 Room 316 South
 State Capitol
 Madison, WI 53701

Representative John Gard, Cochairperson
 Joint Finance Committee
 Room 315 North
 State Capitol
 Madison, WI 53701

Dear Cochairpersons Burke and Gard:

This letter is written on behalf of the Joint Legislative Council's Special Committee on Telemedicine Issues. The Committee is directed to study issues arising from the electronic transfer of medical information for purposes of medical diagnosis, treatment, consultation and education between health care providers and institutions and other persons in separate locations, in order to provide technologically advanced medical services and to enhance access to otherwise unavailable medical care in rural and underserved areas. The Committee is considering such issues as regulation of providers, privacy, liability, reimbursement and patient access to enhanced medical services.

At its meeting on December 17, 1998, the Committee received testimony from Mr. Gary Evenson, of the Public Service Commission, regarding the Universal Service Fund program. Mr. Evenson stated that the purpose of the Universal Service Fund, in part, is to promote affordable access to telecommunications. However, he indicated that while there is an \$8 million annual appropriation of program revenue for the Universal Service Fund, the Public Service Commission has not expended nearly the amount appropriated. For example, Mr. Evenson stated that with respect to the Institutional Discount Program, \$750,000 at most will be spent in the next three years. According to Mr. Evenson, this may be due to a lack of awareness of the programs and its benefits.

In view of the unexpended balance in the Universal Service Fund and the relative obscurity in which the program operates, the Committee urges the Public Service Commission to actively promote the Universal Service Fund program and to seek out applicants who wish to improve the services that telemedicine can provide. The Universal Service Fund should be actively promoted to achieve the results intended by the Legislature when it enacted amendments

- 2 -

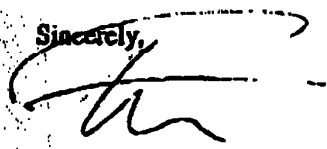
to ch. 196, Stats., affecting the telecommunications industry. In addition, it appears that the lack of interest in the Universal Service Fund funding and the Institutional Discount Program specifically, has induced the Governor to eliminate the Institutional Discount Program in its entirety. (See enclosure.)

The Committee on Telemedicine Issues believes that Universal Service Fund moneys should continue to be used to further the goals of advancing health care through telecommunications. The Committee proposes that the Joint Committee on Finance add a section to ch. 196, Stats., creating a program to provide telecommunications equipment discounts for nonprofit clinics and public health agencies. We further recommend that the Committee provide \$500,000 in each fiscal year of the 1999-2001 biennium to fund this program.

If maintaining \$500,000 for this is not a viable alternative, the Committee requests that the Joint Committee on Finance increase Universal Service Fund assessments to telecommunications providers by \$500,000 to provide funds for this program.

Thank you for your consideration and assistance.

Sincerely,


Representative Frank Urban
Chairperson, Special Committee on
Telemedicine Issues

FU:tl;ksm

Enclosure

cc: Governor Tommy Thompson
Mark Bugher, Secretary, Department of Administration
Robert Lang, Legislative Fiscal Bureau
Gary Evenson, Assistant Administrator,
Telecommunications Division, Public Service
Commission



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0345/1

MDK:.....

JG

50m

LFB:.....Worzala – Elimination of assistance to institutions program under the universal service fund

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 384, line 17: after that line insert:

3 "SECTION 226m. 20.155 (1) (r) of the statutes is created to read:

4 20.155 (1) (r) *Medical telecommunications program*. From the universal
5 service fund, the amounts in the schedule for awarding grants to nonprofit medical
6 clinics and public health agencies under s. 196.218 (4u)."

7 2. Page 397, line 5: delete lines 5 to 9.

8 3. Page 1070, line 20: delete the material beginning with that line and ending
9 with page 1071, line 3.

10 4. Page 1074, line 18: after that line insert:

Soon

D-NOTE

RM NOT
RUN

2

LFB:.....Worzala – Elimination of assistance to institutions program under the universal service fund

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 1. Page 384, line 17: after that line insert:

3 "SECTION 226m. 20.155 (1) (r) of the statutes is created to read:

4 20.155 (1) (r) *Medical telecommunications program.* From the universal
5 service fund, the amounts in the schedule for awarding grants to nonprofit medical
6 clinics and public health agencies under s. 196.218 (4u).".

7 2. Page 397, line 5: delete lines 5 to 9.

8 3. Page 1070, line 20: delete the material beginning with that line and ending
9 with page 1071, line 3.

10 4. Page 1074, line 18: after that line insert:

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0345/2dn

MDK:.....

↑
jlg

Dave Worzala and Tricia Collins:

This version is identical to LRBb0345/1, except it corrects a mistake in deleting nonstatutory provisions relating to transfer of the institutional assistance program.

Mark D. Kunkel
Legislative Attorney
Phone: (608) 266-0131
E-mail: Mark.Kunkel@legis.state.wi.us

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

LRBb0345/2dn
MDK:jl:gjf

June 1, 1999

Dave Worzala and Tricia Collins:

This version is identical to LRBb0345/1, except it corrects a mistake in deleting nonstatutory provisions relating to transfer of the institutional assistance program.

Mark D. Kunkel
Legislative Attorney
Phone: (608) 266-0131
E-mail: Mark.Kunkel@legis.state.wi.us

1999 - 2000 LEGISLATURE

LRBb0345/2
MDK:jlj:jf

LFB:.....Worzala - Elimination of assistance to institutions program under the universal service fund

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45



1 At the locations indicated, amend the bill as follows:

2 **A** 1. Page 384, line 17: after that line insert:

3 "SECTION 226m. 20.155 (1) (r) of the statutes is created to read:

4 20.155 (1) (r) *Medical telecommunications program.* From the universal
5 service fund, the amounts in the schedule for awarding grants to nonprofit medical
6 clinics and public health agencies under s. 196.218 (4u)."

7 *oh* 2. Page 397, line 5: delete lines 5 to 9.

8 *oh* 3. Page 1070, line 20: delete the material beginning with that line and ending
9 with page 1071, line 3.

10 4. Page 1074, line 18: after that line insert:

1999 - 2000 Legislature

- 2 -

LRBb0345/2
MDK:jlg:jf

not to exceed \$500,000 annually

(B)

"SECTION 2329m. 196.218 (4u) of the statutes is created to read:

196.218 (4u) MEDICAL TELECOMMUNICATIONS PROGRAM. From the appropriation under 20.155 (1) ^g, the commission shall award grants to nonprofit medical clinics and public health agencies for purchasing telecommunications equipment for use in providing services to their clients. The commission shall promulgate rules establishing requirements and procedures for awarding grants under this subsection."

5. Page 1075, line 4: after that line insert:

"SECTION 2332m. 196.218 (5) (a) ⁹ of the statutes is created to read:

196.218 (5) (a) 9. To make grants under sub. (4u)."

6. Page 1418, line 18: delete the material beginning with that line and ending with page 1420, line 3.

7. Page 1437, line 18: delete lines 18 to 24.

(END)

(A) We dont want an appropriation rather we want it as an eligible expense out of 20.155 (1) (g) ✓

(B) see edits ✓

(C) Approp. language for 20.155 (1) g needs to reference # 9 (and # 8 new line) so an approp. can be made. ✓

Call with questions. DW
6 9915

OL DW

1999 - 2000 LEGISLATURE

LRBb0346/1
MDK:jlg:jf

LFB:.....Worzala - Budgeting for universal service fund programs
FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION
LFB AMENDMENT
TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

See LRBb0347/2

1 At the locations indicated, amend the bill as follows:

2 1. Page 384, line 17: after that line insert:

4-on
4-dits

3 "SECTION 226m. 20.155 (1) (q) of the statutes is amended to read:

4 20.155 (1) (q) *Universal telecommunications service.* ~~Biennially, from~~ From the
5 universal service fund, the amounts in the schedule for the promotion of universal
6 telecommunications service for the purposes specified in s. 196.218 (5) (a) 1. to 4."

7 2. Page 1075, line 8: after that line insert:

8 "SECTION 2333m. 196.218 (5u) of the statutes is created to read:

4-2nd
9.

9 196.218 (5u) BIENNIAL BUDGET REQUEST: The commission shall include in its
10 biennial budget request under s. 16.42 a proposed budget for each individual
11 program for which the commission proposes to expend moneys from the universal

1999 - 2000 Legislature

- 2 -

LRBb0346/1
MDK:jlg:jf

1 fund in the forthcoming biennium. A proposed budget under this subsection shall
2 describe each program and identify the proposed expenditure amount for each
3 program for each fiscal year of the biennium."

4

(END)

SOON

RM NOT RMN

3

LFB:.....Worzala – Elimination of assistance to institutions program under the universal service fund

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

INSERT 1-1 ✓

1 At the locations indicated, amend the bill as follows:

2 1. Page 384, line 17: after that line insert:

3 "SECTION 226m. 20.155 (1) (r) of the statutes is created to read:

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5 service fund, the amounts in the schedule for awarding grants to nonprofit medical
6 clinics and public health agencies under s. 196.218 (4u)."

7 2. Page 397, line 5: delete lines 5 to 9.

8 3. Page 1070, line 20: delete the material beginning with that line and ending
9 with page 1071, line 3.

10 4. Page 1074, line 18: after that line insert:

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb0345/3ins
MDK.....

1
2
3
4
5
6
7

INSERT 1-1:

1. Page 384, line 17: after that line insert:

"SECTION 226^j. 20.155 (1) (q)^x of the statutes is amended to read:

20.155 (1) (q) *Universal telecommunications service*. Biennially, from the universal service fund, the amounts in the schedule for the promotion of universal telecommunications service for the purposes specified in s. 196.218 (5) (a) 1. to 4. and

9^o.
plain

History: 1971 c. 125; 1973 c. 90; 1975 c. 39; 1977 c. 29; 1979 c. 34; 1981 c. 20; 1985 a. 79, 296, 297, 332; 1987 a. 27, 399; 1991 a. 39, 269; 1993 a. 16, 123; 1995 a. 27; 1997 a. 27, 140, 229; s. 13.93 (2) (c).

Barman, Mike

From: Barman, Mike
Sent: Friday, June 11, 1999 1:00 PM
To: Collins, Tricia
Cc: Kunkel, Mark
Subject: LRB 99b0345/3



99b0345/3

Mike Barman

Mike Barman - Program Asst. (PH. 608-266-3561)
(E-Mail: mike.barman@legis.state.wi.us) (FAX: 608-264-6948)

State of Wisconsin
Legislative Reference Bureau - Legal Section - Front Office
100 N. Hamilton Street - 5th Floor
Madison, WI 53703



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

Date: 6/15

DELIVER TO: Mark Kunheal

Addressee Fax #: _____

Addressee Phone #: _____

of Pages, Including Cover: 2

Sender's Initials: DW

From: David Worzala

Message:

Comments on Draft

1999 - 2000 Legislature

- 2 -

LRBb0345/3
MDK:jlg:mrc

EQUIPMENT

1 "SECTION 2329m. 196.218 (4u) of the statutes is created to read:

2 196.218 (4u) MEDICAL TELECOMMUNICATIONS PROGRAM. From the appropriation

3 under 20.155 (1) (a), the commission ^{*may expend*} ~~shall award grants~~ not to exceed \$500,000

4 annually to nonprofit medical clinics and public health agencies for ^{*the*} purchasing ~~of~~

5 telecommunications equipment ^{*to be used*} ~~for use~~ in providing services to their clients. The

6 commission shall promulgate rules establishing requirements and procedures for

7 ~~awarding grants under this subsection."~~

LFB:.....Worzala – Elimination of assistance to institutions program under
the universal service fund

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

TOOBY

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 384, line 17: after that line insert:

3 “SECTION 226j. 20.155 (1) (q) of the statutes is amended to read:

4 20.155 (1) (q) *Universal telecommunications service.* Biennially, from the
5 universal service fund, the amounts in the schedule for the promotion of universal
6 telecommunications service for the purposes specified in s. 196.218 (5) (a) 1. to 4. and
7 9.”.

8 **2.** Page 397, line 5: delete lines 5 to 9.

9 **3.** Page 1070, line 20: delete the material beginning with that line and ending
10 with page 1071, line 3.

11 **4.** Page 1074, line 18: after that line insert:

CS
EQUIPMENT

1 "SECTION 2329m. 196.218 (4u) of the statutes is created to read:

2 196.218 (4u) MEDICAL TELECOMMUNICATIONS PROGRAM. From the appropriation

3 under 20.155 (1) (q), the commission shall award grants ~~not to exceed~~ ^{may spend up to} \$500,000

4 annually ^{for grants} to nonprofit medical clinics and public health agencies for ~~purchase~~ ^{the purchase} of

5 telecommunications equipment ^{to be used} for use in providing services to their clients. The

6 commission shall promulgate rules establishing requirements and procedures for

7 awarding grants under this subsection."

8 5. Page 1075, line 4: after that line insert:

9 "SECTION 2332m. 196.218 (5) (a) 9. of the statutes is created to read:

10 196.218 (5) (a) 9. To make grants under sub. (4u)."

11 6. Page 1418, line 18: delete the material beginning with that line and ending
12 with page 1420, line 3.

13 7. Page 1437, line 18: delete lines 18 to 24.

14 (END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0345/4
MDK:jlg&cmh:jf

LFB:.....Worzala – Elimination of assistance to institutions program under
the universal service fund

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

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