

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 05/22/99

Received By: grantpr

Wanted: As time permits

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Collins

This file may be shown to any legislator: NO

Drafter: grantpr

May Contact:

Alt. Drafters: kunkemd

Subject: Education - state superintendent

Extra Copies: MJL

Pre Topic:

LFB:.....Collins -

Topic:

BadgerLink

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>
/?	grantpr 05/22/99	gilfokm 05/24/99		_____			
/1			jfrantze 05/25/99	_____	lrb_docadmin 05/25/99		
/2	grantpr 06/1/99	gilfokm 06/1/99	mclark 06/2/99	_____	lrb_docadmin 06/2/99		

FE Sent For:

<END>

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/?	grantpr 05/22/99	gilfokm 05/24/99		_____			
/1		12-61-99 king	jfrantze 05/25/99	_____	lrb_docadmin 05/25/99		
FE Sent For:			MRC 6/1	MRC/JF 6/2 <END>			

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1?	grantpr	1-5-24-99 KMG	to 5/25	to K4 5/25			

FE Sent For:

<END>



Legislative Fiscal Bureau

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

May 20, 1999

Joint Committee on Finance

Paper #801

BadgerLink (DPI -- Administrative, Funding and Transfers)

CURRENT LAW

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

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

GOVERNOR

No provision.

DISCUSSION POINTS

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

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

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

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

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

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

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

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

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

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

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

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

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

ALTERNATIVES

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

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

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

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

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

*like you
draft but
reached out
initial*

60135

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

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

(Fee ?)

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

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

- 5. Maintain current law.

Prepared by: Tricia Collins

1999

Date (time) needed 5:05pm

LRB b 0379, 1

**LFB BUDGET AMENDMENT
[ONLY FOR LFB]**

PG AMDK: King

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**LFB AMENDMENT
TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45**

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

#. Page , line :

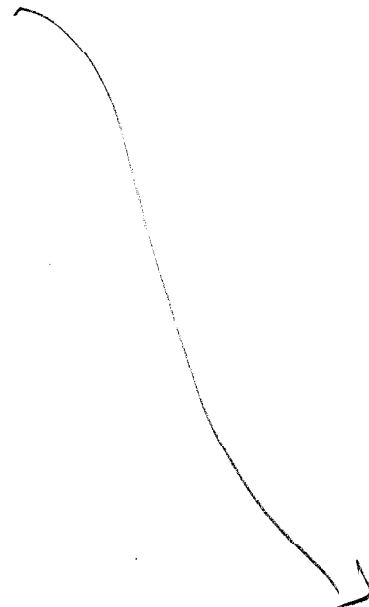
#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :

#. Page , line :



**ASSEMBLY AMENDMENT ,
TO 1999 ASSEMBLY BILL 133**

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

2 **1.** Page 226, line 15: after that line insert:

3 "(q) Periodical and reference infor-
4 mation data base contract SEG A 836,000 1,700,000".

5 ✓ **2.** Page ³⁹¹~~306~~, line ¹⁹~~14~~: after that line insert:

6 "SECTION ^{252 m}~~278~~m. 20.27²⁵⁵(1) (q) of the statutes is created to read:

7 20.2²⁵⁵~~55~~(1) (q) *Periodical and reference information data base ⁵contract* From
8 the universal service fund, the amounts in the schedule for ^{to contract} the periodical and
9 reference information data base ³contract under s. ~~447A(2)(i)~~. 115.28(26)

10 ✓ **3.** Page ⁹²³~~509~~, line ³~~14~~: after that line insert:

11 "SECTION ²⁰⁴¹~~954~~m. ^{115.28(26)}~~447A(2)(i)~~ of the statutes is created to read:

12 ~~447A(2)(i)~~ Jointly with the department of public instruction contract with one
13 or more persons to provide statewide access, through the ^{Iu}Internet, to periodical and

115.28(26) PERIODICAL AND REFERENCE INFORMATION
DATA BASES.

1 reference information data bases. ~~The department of public instruction shall~~
2 ~~administer the program under this paragraph.~~ (9)

3 ~~(END)~~

✓ # Page 1070, line 24: after "(1)(~~g~~)",
insert "20.255(1)(~~g~~),"

✓ # Page 1074, line 19: after that line
insert:

¶ "SECTION 2335m. CR: 196.218(5)(a)3m.

¶ 196.218(5)(a)3m. To provide statewide
access, through the Internet, to periodical
and reference information data bases."

(End)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0379/X 2
PG&MDK:kmg:jf

LFB:.....Collins - BadgerLink

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 ³⁹⁴~~391~~, line ¹⁶~~19~~: after that line insert:

3 "SECTION ~~252~~⁽³⁾m. 20.255 ⁽³⁾~~(1)~~ (q) of the statutes is created to read:

4 ⁽³⁾ 20.255 ⁽³⁾~~(1)~~ (q) *Periodical and reference information data bases.* From the

5 universal service fund, the amounts in the schedule to contract for periodical and
6 reference information data bases under s. 115.28 (26).".

7 2. Page 983, line 3: after that line insert:

8 "SECTION 2041m. 115.28 (26) of the statutes is created to read:

9 115.28 (26) PERIODICAL AND REFERENCE INFORMATION DATA BASES. Contract with
10 one or more persons to provide statewide access, through the Internet, to periodical
11 and reference information data bases.".

270m

1

3. Page 1070, line 24: after "(1) (q)," insert "20.255 ⁽³⁾ ~~(1)~~(q).".

2

4. Page 1074, line ²⁵ after that line insert:

3

^{2331g.}
"SECTION ~~2330m.~~ 196.218 (5) (a) ⁵ §m. of the statutes is created to read:

4

196.218 (5) (a) ⁵ §m. To provide statewide access, through the Internet, to

5

periodical and reference information data bases."

6

(END)



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0379/2
PG&MDK:kmg:mrc

LFB:.....Collins – BadgerLink

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 394, line 16: after that line insert:

3 “SECTION 270m. 20.255 (3) (q) of the statutes is created to read:

4 20.255 (3) (q) *Periodical and reference information data bases.* From the
5 universal service fund, the amounts in the schedule to contract for periodical and
6 reference information data bases under s. 115.28 (26).”.

7 **2.** Page 983, line 3: after that line insert:

8 “SECTION 2041m. 115.28 (26) of the statutes is created to read:

9 115.28 (26) PERIODICAL AND REFERENCE INFORMATION DATA BASES. Contract with
10 one or more persons to provide statewide access, through the Internet, to periodical
11 and reference information data bases.”.

