

WISCONSIN LEGISLATIVE COUNCIL STAFF



RULES CLEARINGHOUSE

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CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 98-104

AN ORDER to amend TCS 6.05 (2) (c), (d), (f), (g), (j) (intro.) and (m), 7.03 (1), 8.06 (1) and (2), ch. TCS 9 (title), 9.01 (1), 9.02 (7) and 9.03 (1) (intro.), (a), (b) and (c) 1. and 2.; to repeal and recreate TCS 6.05 (2) (intro.), (h) and (L) and 9.03 (3); and to create TCS 6.05 (2) (a) (title), (b) (title), (c) (title), (d) (title), (e) (title), (f) (title), (g) (title), (i) (title), (j) (title), (k) (title) and (m) (title), relating to procurement policies and procedures; district budget, audit and finance; and district reporting of student participation in compulsory school attendance, post-secondary options and technical preparation programs.

Submitted by **WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD**

07-24-98 RECEIVED BY LEGISLATIVE COUNCIL.
08-19-98 REPORT SENT TO AGENCY.

RNS:RW:kjf:jt

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CLEARINGHOUSE RULE 98-104

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated October 1994.]

2. Form, Style and Placement in Administrative Code

- a. In SECTIONS where a title is being created, only the title should be shown, not the text of the rule. For example, see SECTIONS 1 and 2.
- b. In several provisions, "of this subsection" should be deleted. See SECTIONS 4, 7 and 9.
- c. Several SECTIONS in which a title is created and the text is amended should be divided into two SECTIONS--one for the creation of the title and one for amendment of the text. See SECTIONS 4, 5, 7, 8, 11 and 14.
- d. In SECTIONS 4 and 13, reference is made to par. "(1)"; the proper reference is to par. "(L)" to avoid confusion with the numeral one.
- e. The material contained in s. TCS 7.03 (4) could be shown in a note rather than a rule section.

4. Adequacy of References to Related Statutes, Rules and Forms

In the listing of statutes that authorize promulgation of the rule, the reference to s. 38.04 (11), Stats., should be deleted since a more specific reference to s. 38.04 (11) (a) 2., Stats., is included.

5. Clarity, Grammar, Punctuation and Use of Plain Language

- a. In s. TCS 6.05 (2) (intro.), the first comma should be deleted. Also, “, do all of the following” should be inserted before the colon.
- b. In s. TCS 6.05 (2) (i), should the state board be notified of emergency procurements under this provision?
- c. It is not clear what is intended by the requirement in s. TCS 6.05 (2) (h) that the report be “reflected” in the district board’s proceedings.
- d. Section TCS 9.03 (3) could be revised for clarity to read: “Personally identifiable information collected under sub. (2) shall be used”
- e. The agency may wish to include an initial applicability date to specify which transactions will be subject to the new rules.

Sen Robson
15 South

WISCONSIN STATE SENATOR

RICHARD GROBSCHMIDT

7TH SENATE DISTRICT



January 14, 1999

TO: All Senate Education Committee Members

FROM: Senator Richard Grobschmidt

RE: **Clearinghouse Rule 98-104**

The following administrative rule has been referred to the Senate Education Committee. For your reference I have included a brief summary of the rule. If you would like a copy of the rule please contact Lisa in my office. In addition, if you would like to request a hearing please contact Lisa by **Monday, January 25, 1999**.

CLEARINGHOUSE RULE 98-104 – relating to procurement policies and procedures; district budget, audit and finance; and district reporting of student participation in compulsory school attendance, post-secondary options and technical preparation program. Submitted by the Wisconsin Technical College System Board.



Wisconsin Technical College System Board
Edward Chin, State Director



January 7, 1998

State Senator Judith Robson, Chairperson
Joint Committee for Review of Administrative Rules
Room 15
17 South Fairchild Street
Madison, WI 53703

Dear Senator Robson:

Pursuant to your request, I hereby submit a copy of the final draft of Clearinghouse Rule 98-104, on chs. TCS 6, 7, 8, and 9, Wis. Admin. Code, relating to general district policies; district budget, audit, and finance; contracts for services; and high school reporting requirements, and the reports required under § 227.19(3), Wis. Stats.

Sincerely,

Edward Chin
State Director

Attachments

**ORDER OF THE
WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD
ADOPTING RULES RELATING TO GENERAL DISTRICT POLICIES;
DISTRICT BUDGET, AUDIT AND FINANCE;
CONTRACT FOR SERVICES; and
HIGH SCHOOL STUDENT REPORTING REQUIREMENTS**

The Wisconsin Technical College System Board proposes an order to amend 6.05(2)(c), (2)(d), (2)(f), (2)(g), (2)(j)(intro.), (2)(m); to repeal and recreate TCS 6.05(2)(intro.), (2)(h), and (2)(l); to create 6.05(2)(a) (title), (2)(b) (title), (2)(c) (title), (2)(d) (title), (2)(e) (title), (2)(f) (title), (2)(g) (title), (2)(i) (title), (2)(j) (title), (2)(k) (title), and (2)(m) (title), relating to procurement policies and procedures; to amend TCS 7.03(1), relating to district budget, audit and finance; to amend TCS 8.06(1) and (2), relating to contracts for services; to amend Ch. TCS 9 (title), 9.01(1), 9.02(7), 9.03(1) (intro.), (1)(a), (1)(b), (1)(c)1. and (1)(c)2.; and repeal and recreate 9.03(3), relating to district reporting of student participation in compulsory school attendance, postsecondary options and technical preparation programs.

ANALYSIS PREPARED BY THE TECHNICAL COLLEGE SYSTEM BOARD

Statutory authority: ss. 38.04(11)(a)2., 38.04(14)(a), and 227.11(2), Wis. Stats.
Statutes interpreted: ss. 38.04(11), 38.12(5), 38.12(5m), 38.12(7), 38.14(3), and 38.28, Wis. Stats.

General district policies—Procurement (TCS 6.05). The current rule regarding technical college (WTCS) district procurement policies was originally promulgated in 1984 based on federal procurement guidelines and regulations to provide consistency for all purchases regardless of funding source. In recent years, changes at both the federal and state levels have led to higher threshold amounts for competitive procurement requirements. The proposed rule amendment would not only reflect these changes, but also make several improvements to the procurement process.

TCS 6.05 requires that each WTCS district board adopt, at a minimum, certain policies and procedures on procurement. In general, such policies and procedures must require: (1) competitive bid or selection procedures if the total cost of the procurement exceeds \$10,000; (2) the solicitation of written quotes from at least 2 prospective vendors if the total cost is between \$3,000 and \$10,000; and (3) a procedure established by the district board if the total cost is below \$3,000 (small procurements). In addition, all district contracts for public construction must be accomplished through the use of competitive bids if the estimated cost exceeds \$10,000 (as required under §38.18, Wis. Stats.).

The proposed rule amendment would: (1) increase the level for competitive bid or selection procedures to procurements in excess of \$25,000; (2) increase the solicitation of written quotes levels to procurements between \$10,000 and \$25,000 and require quotes from at least 3 vendors; and (3) increase the small procurement level to \$10,000. The \$10,000 competitive bid level for public construction contracts would remain unchanged.

This proposal would bring the WTCS district procurement thresholds more in-line with current federal and state regulations. The federal standard for competitive procurement is now \$100,000. The current purchasing law applicable to state agencies requires competitive procurement when the estimated cost of the transaction exceeds \$25,000 and a simplified procedure established by the state Department of Administration is used for transactions of \$25,000 or less (essentially quotes from at least 3 vendors without any formal bid procedures).

TCS 6.05 also requires that all procurements within a 30-day period from a single contractor or from multiple contractors (involving similar procurements) be considered in the aggregate in determining the method of procurement used by the district. The proposed amendment would replace this 30-day aggregation rule with a requirement that a district board's procurement policies include an annual review to determine if a more competitive procurement process should be used in succeeding years. This review would be conducted based on a report that aggregates multiple purchases of similar goods, supplies and services procured without competitive bids or selection procedures. The district board would be required to take formal action on this report and such action would have to be reflected in the board's minutes.

TCS 6.05 allows sole source procurement in certain circumstances including where cooperative purchasing under §16.73, Wis. Stats., is utilized. Such cooperatives involve joint purchasing agreements among a group of municipalities or between the state Department of Administration and a group of municipalities. The proposed rule amendment would modify the list of sole source procurements to include cooperative purchasing associations recognized by the State Director as having procurement policies that are substantially equivalent to those of the WTCS.

Finally, the proposed amendment would require that each district board disclose the evaluation criteria related to competitive selection procedures in the specifications provided to prospective vendors. This change will ensure that vendors are fully aware of the criteria and relative weight each criterion will receive in the selection process.

District budget, audit and finance—Accounting standards (TCS 7.03). The current rule requires WTCS districts to comply with accounting standards established by the National Council on Governmental Accounting (NCGA) and incorporates these standards into the rule by reference to the source document. At the time this rule was promulgated (September 1983), the NCGA was the authoritative source of generally accepted accounting principles for state and local governments. However, shortly

thereafter, the authority to establish governmental accounting standards was transferred to the Governmental Accounting Standards Board (GASB). The proposed rule amendment would recognize this change in authority by adopting and incorporating by reference the GASB accounting standards.

Contract for services—Reporting standards (TCS 8.06). The current rule interprets § 38.14(3)(e), Wis. Stats., which requires each WTCS district board to submit to the WTCS Board a report identifying all contracts under which the district board provided services. However, the rule reflects the statutory language prior to 1989 which required each district board to submit its contract report monthly and on forms provided by the WTCS Board. 1989 Wisconsin Act 31 changed the requirement to an annual report due by December 1st and specified that the report be submitted in a form determined by the WTCS Board. The proposed rule amendment would eliminate the monthly reporting requirement; establish the December 1st annual reporting date; specify that the report would be submitted electronically, in the format specified by the Board; and clarify the contents of the report.

High school student reporting requirements (TCS 9). The current rule interprets section 38.04 (11)(a)2., Wis. Stats., by requiring WTCS districts to annually, by June 15, submit a report to the WTCS Board on the number of high school students participating in the compulsory school attendance, postsecondary options and technical preparation programs. However, the budget for WTCS districts operates on a fiscal year basis ending June 30 of each year of the biennium. Furthermore, §38.04(11)(a), Stats., directs the WTCS Board to establish common use of the fiscal year for both operations and data reporting. Therefore, the June 15th reporting date is not compatible with the closing dates established for WTCS data reporting purposes. The proposed rule amendment would change the annual reporting date to August 15th.

TCS 9 also requires each WTCS district to report the number of high school students enrolled in a secondary course for which advanced standing or transcribed credit may be granted by the college under the technical preparation program. However, advanced standing is not automatic for high schools students and may not be granted unless the student applies for admission to a technical college and specifically requests advance standing based on the course being taken by that student. Similarly, transcribed credit is granted at the time of completion of the course. The proposed rule amendment would clarify that WTCS districts would report high school student participation in advanced standing and transcribed credit courses once these forms of credit have been granted to the student by the technical college.

Finally, the proposed amendment would provide the appropriate cross-references to the new youth options program under §118.55, Wis. Stats., which replaces the postsecondary enrollments option program under §118.37, Wis. Stats., as a result of 1997 Wisconsin Act 27.

TEXT OF RULE

SECTION 1. TCS 6.05(2) (intro.) is repealed and recreated to read:
TCS 6.05(2) **POLICIES AND PROCEDURES.** Each district board shall adopt procurement policies and procedures that, at a minimum do all of the following:

SECTION 2. TCS 6.05(2)(a) (title) is created to read:
TCS 6.05(2)(a) Delegation.

SECTION 3. TCS 6.05(2)(b) (title) is created to read:
TCS 6.05(2)(b) Code of conduct.

SECTION 4. TCS 6.05(2)(c) (title) is created to read:
TCS 6.05(2)(c) Competitive bids.

SECTION 5. TCS 6.05(2)(c) is amended to read:
TCS 6.05(2)(c) Competitive bids. Require that all procurements where the total cost exceeds \$10,000 ~~\$25,000~~ and public construction under ~~par. (L)~~ ss. 38.18 and 62.15(1),(11) and (14), Stats., where the total cost exceeds \$10,000 be accomplished through the use of competitive bids except as provided by ~~policies and procedures adopted under pars. (d), and (e), and (i).~~

SECTION 6. TCS 6.05(2)(d) (title) is created to read:
TCS 6.05(2)(d) Sole source procurement.

SECTION 7. TCS 6.05(2)(d) is amended to read:
TCS 6.05(2)(d) Sole source procurement. Provide for sole source procurement where the district board determines that there is only one source for the required supply, service, equipment or construction item; where the required supply, service, equipment or construction item is to be purchased from another governmental body; or where cooperative purchasing under s. 16.73, Stats., is utilized or a cooperative purchasing association is recognized by the state director that has a competitive purchasing process that is substantially equivalent to the minimum requirements set forth in this section. The district board may delegate the power for authorizing sole source procurement to the district director who may with the approval of the district board redelegate this responsibility to other employees of the district.

SECTION 8. TCS 6.05(2)(e) (title) is created to read:
TCS 6.05(2)(e) Competitive selection.

SECTION 9. TCS 6.05(2)(f) (title) is created to read:
TCS 6.05(2)(f) Solicitation of written quotes.

SECTION 10. TCS 6.05(2)(f) is amended to read:

TCS 6.05(2)(f) Solicitation of written quotes. Except as required provided under pars. (4) (d), (e), and (i), require that all procurements where the total cost equals or exceeds ~~\$3,000~~ \$10,000 and does not exceed ~~\$40,000~~ \$25,000 be accomplished through the solicitation of written quotations from a minimum of 2 3 contractors or proposed contractors.

SECTION 11. TCS 6.05(2)(g) (title) is created to read:

TCS 6.05(2)(g) Procurements less than \$10,000.

SECTION 12. TCS 6.05(2)(g) is amended to read:

TCS 6.05(2)(g) Procurements less than \$10,000. Establish a procedure for all procurements where the total cost is less than ~~\$3,000~~ \$10,000.

SECTION 13. TCS 6.05(2)(h) is repealed and (2)(h) is recreated to read:

TCS 6.05(2)(h) Annual review. Require an annual review, based on a report that aggregates multiple purchases of similar goods, supplies, and services of all procurements made under pars. (f) and (g), to determine if a more competitive procurement process should be used in succeeding years. The district board shall take formal action on this report and such action shall be reflected in the district board's proceedings.

SECTION 14. TCS 6.05(2)(i) (title) is created to read:

TCS 6.05(2)(i) Emergency procurement.

SECTION 15. TCS 6.05(2)(j) (title) is created to read:

TCS 6.05(2)(j) Records required.

SECTION 16. TCS 6.05(2)(j)(intro.) is amended to read:

TCS 6.05(2)(j) Records required. Require that records be created and retained for all procurements where the total cost equals or exceeds ~~\$3,000~~ \$10,000. These records shall include:

1. The rationale for the method of procurement.
2. The rationale for selection or rejection of any contractor or proposed contractor.
3. The basis for the cost or price.

SECTION 17. TCS 6.05(2)(k) (title) is created to read:

TCS 6.05(2)(k) Audits.

SECTION 18.. TCS 6.05(2)(L) is repealed and (2)(L) is recreated to read:

TCS 6.05(2)(L) Disclosure of evaluation criteria. Require that evaluation criteria related to bids and competitive selection procedures be disclosed in the specifications provided to prospective vendors.

SECTION 19. TCS 6.05(2)(m) (title) is created to read:
TCS 6.05(2)(m) Adherence to federal regulations.

SECTION 20. TCS 6.05(2)(m) is amended to read:
TCS 6.05(2)(m) Adherence to federal regulations. Require that all federally funded procurements funded by federal funds be made in accordance with according to the appropriate federal regulations.

SECTION 21. TCS 7.03(1) is amended to read:
TCS 7.03(1) ADOPTION OF STANDARDS BY REFERENCE. (1) Pursuant to s. ~~227.025~~ 227.21, Stats., the attorney general and revisor of statutes have consented to the incorporation by reference of ~~Statement 1, Governmental Accounting and Reporting Principles, The National Council on Governmental Accounting, Municipal Finance Officers Association of the United States and Canada, 180 North Michigan Avenue, Chicago Illinois 60604~~ the Codification of Governmental Accounting and Financial Reporting Standards, Governmental Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116.

SECTION 22. A Note following s. TCS 7.03(1) is created to read:

Note: The standards under sub. (1) may be obtained by contacting the Governmental Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116.

SECTION 23. TCS 7.03(4) is repealed.

SECTION 24. TCS 8.06(1) is amended to read:
TCS 8.06(1) ~~Monthly, the~~ The district board shall submit to the board a report as required under s. 38.14(3)(e), Stats.

SECTION 25. TCS 8.06(2) is amended to read:
TCS 8.06(2) ~~Annually by August 31~~ December 1 and ~~on forms provided in a form determined by the board~~ the district board shall report to the board the reimbursed and non-reimbursed costs for each accounting function, the type of service rendered under each contract, and if the contract involves instruction for credit, the ~~number of students served under each contract and the total credits granted~~ course, section, and location number of each course offered under each contract.

SECTION 26. Chapter TCS 9 (title) is amended to read:

CHAPTER TCS 9 (title)
DISTRICT REPORTING OF ~~STUDENT PARTICIPATION~~ STUDENTS
PARTICIPATING IN COMPULSORY SCHOOL ATTENDANCE, POSTSECONDARY
YOUTH OPTIONS AND TECHNICAL PREPARATION PROGRAMS: REQUIREMENTS
AND PROCEDURES

SECTION 27. TCS 9.01 is amended to read:

TCS 9.01 PURPOSE. This chapter establishes standards the format and procedures pursuant to s. 38.04(11)(a)2., Stats., for districts to report the number of students participating in district courses under ~~the compulsory education provisions of s. ss. 118.15(1)(b), (cm) and (d), 118.34, and 118.55(7r), Stats., and the number of students participating in the postsecondary enrollment options program under the provisions of s. 118.37, Stats., and the number of students participating in technical preparation programs under s. 118.34, Stats.,~~ including the number of courses taken for advanced standing in a technical college district's associate degree or vocational diploma program and for postsecondary credit.

SECTION 28. TCS 9.02(7) is amended to read:

TCS 9.02(7) "~~Postsecondary enrollment~~ Youth options program" means enrollment under the provisions of s. ~~118.37~~ 118.55(7r), Stats.

SECTION 29. TCS 9.03(1) (intro.) is amended to read:

TCS 9.03(1) Annually, by ~~June~~ August 15, technical college districts shall compile a report for the board containing the data elements of sub. (2) to report participation in technical college courses or programs for the following students:

SECTION 30. TCS 9.03(1)(a) is amended to read:

TCS 9.03(1)(c)1. Students attending a technical college of the district under the compulsory school attendance ~~provisions of s. 118.15(1)(b), (cm) and (d), Stats.~~

SECTION 31. TCS 9.03(1)(b) is amended to read:

TCS 9.03(b) Students attending a technical college of the district under the ~~postsecondary enrollment youth~~ options program ~~provisions of s. 118.37, Stats.~~

SECTION 32. TCS 9.03(1)(c)1. is amended to read:

TCS 9.03(1)(c)1. Students enrolled in who have completed a secondary course, authorized through an articulation agreement, for which advanced standing ~~may be~~ has been granted by a technical college district under the technical preparation program, ~~s. 118.34, Stats.~~

SECTION 33. TCS 9.03(1)(c)2. is amended to read:

TCS 9.03(1)(c)2. Students enrolled in ~~a secondary~~ who have completed a postsecondary course for which transcribed credit ~~may be~~ has been granted by the technical college and the school district under the technical preparation program ~~provisions of s. 118.34, Stats.~~

SECTION 34. TCS 9.03(3) is repealed and recreated to read:

TCS 9.03(3) Personally identifiable information collected under sub. (2) shall be used solely for determining student participation in technical college courses or programs under ss. 118.15(1)(b), (cm) and (d), 118.34, and 118.55(7r), Stats., including those

courses taken for advanced standing in a technical college district's associate degree or vocational diploma program and for postsecondary credit.

SECTION 35. INITIAL APPLICABILITY.

These rule changes first apply to transactions that are initiated after the effective date.

SECTION 36. EFFECTIVE DATE.

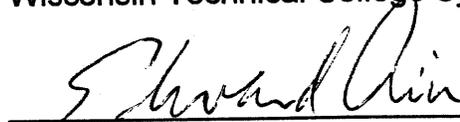
These rules shall take effect on the first day following the date of publication in the Wisconsin Administrative Register as provided in s. 227.22(2) (intro.), Stats.

FISCAL ESTIMATE

The functions required by these rules can be absorbed within existing staff. Therefore, there is no fiscal effect on the agency.

Date: November 18, 1998

Wisconsin Technical College System Board

A handwritten signature in cursive script, appearing to read "Edward Chin", written over a horizontal line.

Edward Chin, Director

REPORT TO THE LEGISLATURE

**CLEARINGHOUSE RULE 98-104
WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD
CHAPTERS TCS 6, 7, 8, and 9, WIS. ADMIN. CODE**

Submitted by:

**Wisconsin Technical College
System Board
P.O. Box 7874
310 Price Place
Madison, Wisconsin 53707-7874**

January 7, 1999

I. STATEMENT EXPLAINING THE NEED FOR THE PROPOSED RULE

General district policies—Procurement (TCS 6.05). The current rule regarding technical college (WTCS) district procurement policies was originally promulgated in 1984 based on federal procurement guidelines and regulations to provide consistency for all purchases regardless of funding source. In recent years, changes at both the federal and state levels have led to higher threshold amounts for competitive procurement requirements. The proposed rule amendment would not only reflect these changes, but also make several improvements to the procurement process.

TCS 6.05 requires that each WTCS district board adopt, at a minimum, certain policies and procedures on procurement. In general, such policies and procedures must require: (1) competitive bid or selection procedures if the total cost of the procurement exceeds \$10,000; (2) the solicitation of written quotes from at least 2 prospective vendors if the total cost is between \$3,000 and \$10,000; and (3) a procedure established by the district board if the total cost is below \$3,000 (small procurements). In addition, all district contracts for public construction must be accomplished through the use of competitive bids if the estimated cost exceeds \$10,000 (as required under § 38.18, Wis. Stats.).

The proposed rule amendment would: (1) increase the level for competitive bid or selection procedures to procurements in excess of \$25,000; (2) increase the solicitation of written quotes levels to procurements between \$10,000 and \$25,000 and require quotes from at least 3 vendors; and (3) increase the small procurement level to \$10,000. The \$10,000 competitive bid level for public construction contracts would remain unchanged.

This proposal would bring the WTCS district procurement thresholds more in-line with current federal and state regulations. The federal standard for competitive procurement is now \$100,000. The current purchasing law applicable to state agencies requires competitive procurement when the estimated cost of the transaction exceeds \$25,000 and a simplified procedure established by the state Department of Administration is used for transactions of \$25,000 or less (essentially quotes from at least 3 vendors without any formal bid procedures).

TCS 6.05 also requires that all procurements within a 30-day period from a single contractor or from multiple contractors (involving similar procurements) be considered in the aggregate in determining the method of procurement used by the district. The proposed amendment would replace this 30-day aggregation rule with a requirement that a district board's procurement policies include an annual review to determine if a more competitive procurement process should be used in succeeding years. This review would be conducted based on a report that aggregates multiple purchases of similar goods, supplies and services procured without competitive bids or selection procedures. The district board would be required to take formal action on this report and such action would have to be reflected in the board's minutes.

TCS 6.05 allows sole source procurement in certain circumstances including where cooperative purchasing under §16.73, Wis. Stats., is utilized. Such cooperatives involve joint purchasing agreements among a group of municipalities or between the state

Department of Administration and a group of municipalities. The proposed rule amendment would modify the list of sole source procurements to include cooperative purchasing associations recognized by the State Director as having procurement policies that are substantially equivalent to those of the WTCS.

Finally, the proposed amendment would require that each district board disclose the evaluation criteria related to competitive selection procedures in the specifications provided to prospective vendors. This change will ensure that vendors are fully aware of the criteria and relative weight each criterion will receive in the selection process.

District budget, audit and finance—Accounting standards (TCS 7.03). The current rule requires WTCS districts to comply with accounting standards established by the National Council on Governmental Accounting (NCGA) and incorporates these standards into the rule by reference to the source document. At the time this rule was promulgated (September 1983), the NCGA was the authoritative source of generally accepted accounting principles for state and local governments. However, shortly thereafter, the authority to establish governmental accounting standards was transferred to the Governmental Accounting Standards Board (GASB). The proposed rule amendment would recognize this change in authority by adopting and incorporating by reference the GASB accounting standards.

Contract for services—Reporting standards (TCS 8.06). The current rule interprets § 38.14(3)(e), Wis. Stats., which requires each WTCS district board to submit to the WTCS Board a report identifying all contracts under which the district board provided services. However, the rule reflects the statutory language prior to 1989 which required each district board to submit its contract report monthly and on forms provided by the WTCS Board. 1989 Wisconsin Act 31 changed the requirement to an annual report due by December 1st and specified that the report be submitted in a form determined by the WTCS Board. The proposed rule amendment would eliminate the monthly reporting requirement; establish the December 1st annual reporting date; specify that the report would be submitted electronically, in the format specified by the Board; and clarify the contents of the report.

High school student reporting requirements (TCS 9). The current rule interprets section 38.04 (11)(a)2., Wis. Stats., by requiring WTCS districts to annually, by June 15, submit a report to the WTCS Board on the number of high school students participating in the compulsory school attendance, postsecondary options and technical preparation programs. However, the budget for WTCS districts operates on a fiscal year basis ending June 30 of each year of the biennium. Furthermore, §38.04(11)(a), Stats., directs the WTCS Board to establish common use of the fiscal year for both operations and data reporting. Therefore, the June 15th reporting date is not compatible with the closing dates established for WTCS data reporting purposes. The proposed rule amendment would change the annual reporting date to August 15th.

TCS 9 also requires each WTCS district to report the number of high school students enrolled in a secondary course for which advanced standing or transcribed credit may be granted by the college under the technical preparation program. However, advanced standing is not automatic for high schools students and may not be granted unless the

student applies for admission to a technical college and specifically requests advance standing based on the course being taken by that student. Similarly, transcribed credit is granted at the time of completion of the course. The proposed rule amendment would clarify that WTCS districts would report high school student participation in advanced standing and transcribed credit courses once these forms of credit have been granted to the student by the technical college.

Finally, the proposed amendment would provide the appropriate cross-references to the new youth options program under §118.55, Wis. Stats., which replaces the postsecondary enrollments option program under §118.37, Wis. Stats., as a result of 1997 Wis. Act 27.

II. EXPLANATION OF MODIFICATIONS MADE IN THE PROPOSED RULE AS A RESULT OF TESTIMONY RECEIVED AT THE PUBLIC HEARING

Not applicable.

III. PERSONS WHO APPEARED OR REGISTERED FOR OR AGAINST THE PROPOSED RULE AT THE PUBLIC HEARING OR WHO SUBMITTED WRITTEN TESTIMONY

Appearances in favor of the rule: None

Registrations in favor of the rule: None

Appearances opposed to the rule: None

Registrations opposed to the rule: None

Appearances for information only: Mr. Dennis A. Behling, C.P.M., Milwaukee Area Technical College.

Written testimony submitted to the agency: None

IV. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS

All recommendations of the Legislative Council Clearinghouse were accepted and incorporated into the final draft of the proposed rule.

V. FINAL REGULATORY FLEXIBILITY ANALYSIS

None required.

- ORIGINAL
- UPDATED
- CORRECTED
- SUPPLEMENTAL

FISCAL ESTIMATE

DOA-2048 N(R10/96)

Subject

General District Policies; District Budget, Audit and Finance; Contract For Services; and High School Student Reporting Requirements

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 - Permissive
 - Mandatory
- 2. Decrease Costs
 - Permissive
 - Mandatory

- 3. Increase Revenues
 - Permissive
 - Mandatory
- 4. Decrease Revenues
 - Permissive
 - Mandatory

5. Types of Local Governmental Units Affected:

- Towns
- Villages
- Cities
- Counties
- Others _____
- School Districts
- WTCS Districts

Fund Sources Affected

- GPR
- FED
- PRO
- PRS
- SEG
- SEG-S

Affected Ch. 20 Appropriations

Not applicable.

Assumptions Used in Arriving at Fiscal Estimate

The amendments of Chs. TCS 6, 7, 8, and 9, Wis. Admin. Code, will have no fiscal effect. No increased costs are anticipated for the proposed changes. Minor savings may be realized at the technical college district level since the local districts will not be required to initiate a competitive bidding process for public contracts that fall below the new \$25,000 threshold according to § TCS 6.05(2)(c), Wis. Admin. Code.

Long-range Fiscal Implications

Not applicable.

Agency/Prepared by: (Name & Phone No.)

WTCSB
Jesus G.Q. Garza (608) 267-9540

Authorized Signature/Telephone No.

Jesus G.Q. Garza (608) 267-9540

Date

23 Jul 98

FISCAL ESTIMATE WORKSHEET

1997 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/96)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Chs. TCS 6, 7, 8, and 9

Amendment No.

Subject
General District Policies; District Budget, Audit and Finance; Contract For Services; and High School Student Reporting Requirements

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ -0-	\$ -0-
(FTE Position Changes)	(-0- FTE)	(-0- FTE)
State Operations - Other Costs	-0-	-0-
Local Assistance	-0-	-0-
Aids to Individuals or Organizations	-0-	-0-
TOTAL State Costs by Category	\$ -0-	\$ -0-
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ -0-	\$ -0-
FED	-0-	-0-
PRO/PRS	-0-	-0-
SEG/SEG-S	-0-	-0-
III. State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$ -0-	\$ -0-
GPR Earned	-0-	-0-
FED	-0-	-0-
PRO/PRS	-0-	-0-
SEG/SEG-S	-0-	-0-
TOTAL State Revenues	\$ -0-	\$ -0-

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ -0- \$ -0-

NET CHANGE IN REVENUES \$ -0- \$ -0-

Agency/Prepared by: (Name & Phone No.) WTCSB Jesús G.Q. Garza (608) 267-9540	Authorized Signature/Telephone No. <i>Jesús G.Q. Garza</i> (608) 267-9540	Date 23 Jul 98
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