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# Public Service Commission

## Agencywide

### *Bill Agency*

(LFB Budget Summary Document: Page 570)

### LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
2	Electronic Filing of Documents (Paper #780)
4	Stray Voltage Research Funding (Paper #781)
7	Transfer of Mobile Home Park Water and Sewer Regulation to the Department of Commerce (see Paper #308)



## Legislative Fiscal Bureau

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

May 2, 2001

Joint Committee on Finance

Paper #780

### Electronic Filing of Documents (PSC -- Agencywide)

[LFB 2001-03 Budget Summary: Page 570, #2]

#### CURRENT LAW

Base level supplies and services funding of \$1,597,200 PR annually is budgeted under the PSC's general program operations appropriation of which \$433,600 PR annually is for information technology resources.

#### GOVERNOR

Provide \$125,000 PR annually for the implementation of an electronic document management system designed to reduce the time necessary for agency staff to receive, circulate and publish documents related to Commission cases. Of these amounts, \$100,000 PR annually would be one-time funding to support the final two years of a three-year master lease for the purchase of the necessary software. The remaining \$25,000 PR annually would be base-building funding to support on-going software maintenance expenses.

#### DISCUSSION POINTS

1. The proposed one-time funding would enable the PSC to purchase the necessary software and 100 user licenses for an electronic document management system. The software would be used by all employees at the Commission to store, route and process case materials and then make them available on the agency's website.

2. The agency has identified the following improved document management capabilities that it believes will result from the installation of the new system:

- *Service Improvements.* The new system would decrease the time required by agency staff to manage the flow of written materials relating to pending cases. Economies would be

realized by reducing expenditures related to filing, data entry, mailing, copying and circulating documents that would instead be available electronically.

- *Improved Staff Access to Files.* Docketed materials would be available electronically and stored such that staff could search for particular information based on key words or subject matter.

- *Improved Document Tracking and Management.* The new system would be capable of providing action reminders and due date notifications, monitoring the check-in and check out of case materials by staff and providing for the routing of documents.

- *Improved Public Information Access.* The new system would automatically post most materials to the agency's website where interested parties could review the case materials and track the Commission's action on a particular case.

3. The Commission has already selected a provider of the document management software and related licenses. The total costs for the required products and services have been identified at \$273,500. This cost figure was used by the Commission to develop its projected master lease funding needs of \$100,000 PR annually, over a three-year period.

4. The PSC has chosen to proceed with the implementation of the proposed electronic document filing system during the current 2000-01 fiscal year by applying certain base level funds to support the first year of the master lease costs. The agency has delayed planned computer replacement purchases scheduled for 2000-01 and has reallocated the associated \$100,000 PR of base level funding to cover the first year costs of the three-year master lease for the electronic management document software. The agency states that these base level funds will not be available in future years to continue the second and third year of the master lease payments.

5. Based on the a master lease term running through the 2002-03 fiscal year and structured to reflect an initial \$100,000 PR payment by the Commission from base level resources in 2000-01, the remaining annual master lease payments for the 2001-02 and 2002-03 fiscal years are now projected at \$95,000 PR annually.

6. Accordingly, the Committee may wish to decrease the annual amount of one-time funding recommended under the bill for master lease payments (\$100,000 PR in both 2001-02 and 2002-03) by \$5,000 PR annually.

7. The Commission has also requested \$25,000 PR annually for on-going software maintenance expenses associated with the installation of the new electronic document management software. In assessing the PSC's need for this additional funding, an examination of the agency's general program operations supplies and services expenditures in recent years has found that the had the following year-end unobligated balances:

1997-98	\$43,400
1998-99	46,200
1999-00	59,800

8. An argument can be made that the Commission has sufficient available supplies and services base level spending authority to fund the necessary maintenance costs associated with the electronic document management software. In addition, the PSC has also indicated that there will be a variety of cost-saving efficiencies due to the implementation of this new software system. These efficiencies should free additional base level resources that could be applied to meet the requested software maintenance costs.

9. Accordingly, the Committee could consider deleting the \$25,000 PR annually recommended for on-going software maintenance expenses.

**ALTERNATIVES**

1. Approve the Governor's recommendation.
2. Modify the Governor's recommendation by deleting \$30,000 PR annually to reflect: (a) reduced master lease payment requirements (-\$5,000 PR annually); and (b) the use of base level funding to support on-going software maintenance expenses (-\$25,000 PR annually).

<b>Alternative 2</b>	<b>PR</b>
2001-03 FUNDING (Change to Bill)	- \$60,000

3. Maintain current law.

<b>Alternative 3</b>	<b>PR</b>
2001-03 FUNDING (Change to Bill)	- \$250,000

MO# Alt 2

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SPIDILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

ier

*No analysis prepared Alt 2*



## Legislative Fiscal Bureau

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

May 2, 2001

Joint Committee on Finance

Paper #781

### Stray Voltage Research Funding (PSC -- Agencywide and University of Wisconsin System)

[LFB 2001-03 Budget Summary: Page 571, #4]

#### CURRENT LAW

*Att 3 Check w/ Barb Gard - 2*

Public utilities that produce electricity and electric cooperatives are assessed for their proportionate share of the annual amounts specifically appropriated to the PSC for stray voltage research. During the 1999-01 biennium, \$175,000 PR annually was appropriated to the PSC for this purpose. Of the annual amounts received from the Commission's stray voltage research assessments, the first \$175,000 PR annually must then be transferred to a stray voltage research appropriation under the University of Wisconsin System. A total of \$175,000 PR annually is also appropriated to a PR continuing appropriation under the University of Wisconsin to support stray voltage research activities.

#### GOVERNOR

Delete \$175,000 PR annually of base level expenditure authority under the PSC funded from electric utility and cooperative assessments for stray voltage research activities. Continue \$175,000 PR annually of base level expenditure authority under the University of Wisconsin System's stray voltage research appropriation.

#### DISCUSSION POINTS

1. Provisions of 1999 Wisconsin Act 9 created s. 196.856 of the statutes, which directs the following annual assessments by the PSC: electric utilities are assessed for 91% of the amounts appropriated annually to the Commission for stray voltage research and electric cooperatives are assessed for the remaining 9% of such amounts. The Act 9 provisions direct the transfer of the first \$175,000 assessed each year to the UW to support a stray voltage research program. Act 9 also

requires the UW Board of Regents to establish such a program.

2. The PSC made these required assessments in January of 2000 (for the 1999-00 fiscal year) and in June of 2000 (for the 2000-01 fiscal year), based on the \$175,000 PR appropriated annually to the Commission to support stray voltage research. Further, in accordance with the provisions of s. 20.155(1)(jm) of the statutes, \$175,000 PR annually (in this case, the total amount of each annual assessment) has been (or shortly will be) transferred to the University of Wisconsin System's PR continuing appropriation for stray voltage research. Funds appropriated to a continuing appropriation remain available until fully expended or until the Legislature acts to repeal the appropriation.

3. The effect of deleting the Commission's base level expenditure authority for stray voltage research in both the 2001-02 and 2002-03 fiscal years is to eliminate any annual assessment of utilities and electric cooperatives for this purpose during the next biennium. Without such an assessment, no additional funds will be received by the PSC for transfer to the UW's stray voltage research appropriation.

4. Although the current statutory assessment and transfer language would suggest that the stray voltage research project will be an on-going program, discussions with both UW and PSC staff involved with the project indicate that the Act 9 budget initiative was intended to fund the UW's stray voltage research as a one-time activity. Consequently, no assessments beyond the current biennium are indicated as being required, since additional UW projects are not currently anticipated.

5. In light of the facts that: (a) the required annual assessments of electric utilities and cooperatives have now been made sufficient to fund the current budget of the UW's stray voltage research project; (b) all of the required fund transfers to the UW will have been made by the end of the 2000-01 fiscal year; and (c) no further stray voltage research that would require funding from PSC assessments of electric utilities and cooperatives is currently being planned at the UW beyond the completion of the current project, the Committee could consider deleting the Commission's stray voltage research assessment authority and its associated stray voltage research appropriation.

6. The UW will continue the current stray voltage research project through its scheduled completion date of June 30, 2003. Consequently, the Act 9 statutory language directing the UW Board of Regents to maintain such a program should be retained through the June 30, 2003, scheduled conclusion of the project, at which time this research directive language could also be repealed.

7. The bill continues a base level expenditure estimate of \$175,000 PR annually under the UW stray voltage research funding appropriation. The UW has developed a budget of estimated expenditures for the stray voltage research project of \$145,500 PR in 2001-02 and \$102,800 in 2002-03. Accordingly, the estimated level of expenditures under this appropriation could be adjusted to delete \$29,500 PR in 2001-02 and \$72,200 PR in 2002-03 to more accurately portray the likely funding requirements for the UW's stray voltage research. This appropriation could also be repealed after June 30, 2003.

8. Alternatively, if the Committee believes that additional future stray voltage research projects could still be developed at the UW that should also be funded through future PSC assessments of electric utilities and electric cooperatives, it could choose to leave the current law assessment, appropriation structure and research language in place. The funding adjustment for the UW's current stray voltage project during the 2001-03 biennium should still be made under this alternative, however.

**ALTERNATIVES TO BASE**

1. Approve the Governor's recommendation.

<u>Alternative 1</u>	<u>PR</u>
2001-03 FUNDING (Change to Base)	- \$350,000
<i>[Change to Bill]</i>	<i>\$0</i>

2. Modify the Governor's recommendation by reducing the expenditure authority under the University of Wisconsin stray voltage research appropriation by \$29,500 PR in 2001-03 and \$72,200 PR in 2002-03 to reflect the current project budget.

<u>Alternative 2</u>	<u>PR</u>
2001-03 FUNDING (Change to Base)	- \$451,700
<i>[Change to Bill]</i>	<i>-\$101,700</i>

3. Modify the Governor's recommendation by: (a) reducing the expenditure authority under the University of Wisconsin stray voltage research appropriation by \$29,500 PR in 2001-03 and \$72,200 PR in 2002-03 to reflect the current project budget and repealing this appropriation on July 1, 2003; (b) repealing the PSC's stray voltage research appropriation and associated authority to make such assessments; (c) repealing the statutory language requiring the UW Board of Regents to establish a stray voltage research program, effective July 1, 2003.

<u>Alternative 3</u>	<u>PR</u>
2001-03 FUNDING (Change to Base)	- \$451,700
<i>[Change to Bill]</i>	<i>-\$101,700</i>

4. Maintain current law.

<u>Alternative 4</u>	<u>PR</u>
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>\$350,000</i>

Prepared by: Darin Renner

MO#

AA 3

2 BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
<del>MOORE</del> SUBI SKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
1 GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS

PUBLIC SERVICE COMMISSION

Leased Generation Contracts between Public Utilities and Affiliated Interests

Motion:

Move to incorporate the provisions of LRBs0116/1 [Senate Substitute Amendment \_\_\_ to 2001 Senate Bill 168] authorizing a public utility and an affiliated interest to enter into a long-term leased generation contract with one another and authorizing a public utility to transfer, at book value, real estate held or used for the provision of utility service to an affiliated interest for the purposes of implementing a leased generation contract, as approved by the PSC.

Note:

Under current law, a public utility generally may not enter into a contract with an affiliated interest without the approval of the PSC. An affiliated interest is defined to include: (1) any person owning or holding 5% or more of the voting securities of a public utility; (2) any person in any chain of successive ownership of 5% or more of voting securities of the public utility; (3) any corporation in which 5% or more of the voting securities is owned by the foregoing; or (4) any person the PSC determines actually exercising substantial influence over a public utility. Generally, the PSC must approve a contract between a public utility and its affiliated interest if the Commission finds the contract to be reasonable and in the public interest.

Under the substitute amendment, a new type of leased generation contract arrangement between a public utility and an affiliated interest would be created, and the PSC would be authorized to approve it, under certain defined circumstances.

The substitute amendment would define a "leased generation contract" as a contract or arrangement under which a utility's affiliated interest agrees to construct or improve electric generating equipment and associated facilities and to lease to the utility the land, equipment and associated facilities for operation by the public utility.

The substitute amendment would authorize the PSC to approve such a lease only if all of the following conditions applied:

(1) The PSC has not issued a certificate to transact public utility business or a certificate of public convenience and necessity before January 1, 2001, for any construction or improvement that is subject to a leased generation contract;

(2) Construction or improvement of the facilities subject to the lease begins on or after January 1, 2001;

(3) No existing electric generation equipment and associated facilities, or electric generating equipment held or used by the public utility is transferred to the affiliated interest;

(4) The gross cost of construction of improvements for a lease contract is at least \$10,000,000;

(5) Any real property transferred to the affiliated interest for implementing the lease agreement shall be at the book value, determined on the basis of the regulated books of account at the time of the transfer;

(6) Any real property transferred to the affiliated interest may be transferred back to the utility on the same terms and conditions as the original transfer (where the PSC determines that the construction or improvement subject to the leased generation contract has not been completed);

(7) The leased generation contract provides that upon termination of the contract the utility shall have the option, with PSC approval, to extend the lease or to purchase at a fair market value the electric generating equipment and associated facilities constructed or improved under the lease. However, if the utility exercises the option, the affiliated interest may require the utility to extend the contract, rather than purchase the facilities and equipment, if the affiliated interest demonstrates to the PSC that the extension would avoid a material negative tax impact;

(8) The leases run for: (a) a minimum of 20 years for any gas-fired electric generating equipment and associated facilities constructed; or (b) a minimum of 25 years for a coal-fired electric generating equipment and associated facilities constructed; and

(9) The lease does not take effect until the affiliated interest begins improvements or construction of any particular electric generating equipment and associated facilities. The PSC would also maintain jurisdiction to ensure that the construction or improvement under the approved leased generation contract is completed as provided in the contract.

The PSC would not be allowed to increase or decrease the retail revenue requirements of a utility on the basis of any income, expense, gain or loss that is incurred or received by the utility's affiliated interest due to the ownership of electric generating equipment and associated facilities by an affiliated interest under a leased generation contract. The PSC would be required to allow a utility to recover in its retail rates all payments and costs related to a leased generation contract. This provision would apply only to that portion of the required payments and costs that are related to providing service to its retail customers.

Under the substitute amendment, once the PSC has approved a leased generation contract

between an affiliated interest and a utility, the Commission could not further modify the contract, except as initially provided in the contract or in the PSC's initial approval order. This provision would apply, notwithstanding a current law provision that the PSC has continuing supervisory control over the terms and conditions of a contract or arrangement approved under the affiliated interest law.

The substitute amendment would specify that electric cooperatives or municipal electric utilities would not be prohibited from acquiring an interest in the electric generating equipment and facilities constructed under a leased generation contract or from acquiring an interest in the associated land.

Finally, the substitute amendment would permit a public utility to transfer real property to its nonutility affiliate at book value for the purpose of implementing a leased generation contract. This authority would not apply to the transfer of any electric generating equipment and associated facilities or electric generating equipment. Under current law, a public utility may transfer real property to a nonutility company in the same holding company system only by public sale or by offering the property to the highest qualified bidder.

MO#			
2	BURKE	<input checked="" type="radio"/>	N A
	DECKER	<input checked="" type="radio"/>	N A
	MOORE	<input checked="" type="radio"/>	N A
	<del>SHEWELSKI</del>	<input checked="" type="radio"/>	N A
	PLACHE	<input checked="" type="radio"/>	N A
	WIRCH	<input checked="" type="radio"/>	N A
	DARLING	<input checked="" type="radio"/>	N A
	WELCH	<input checked="" type="radio"/>	N A
	GARD	<input checked="" type="radio"/>	N A
	KAUFERT	<input checked="" type="radio"/>	N A
	ALBERS	<input checked="" type="radio"/>	N A
	DUFF	<input checked="" type="radio"/>	N A
	WARD	<input checked="" type="radio"/>	N A
	HUEBSCH	<input checked="" type="radio"/>	N A
	HUBER	<input checked="" type="radio"/>	N A
	COGGS	<input checked="" type="radio"/>	N A

AYE 16 NO 0 ABS \_\_\_\_\_

PUBLIC SERVICE COMMISSION

Commencement of Construction of Electric Generating Equipment and Associated Facilities

Motion:

Move to require an electric utility, proposing to construct electric generating equipment and associated facilities designed for nominal operation at a capacity of 100 megawatts or more, to commence construction within one year of the latest of any of the following:

1. Issuance by the PSC of a certificate of public convenience and necessity for the facility;
2. Issuance of every permit, approval, or license issued by a federal, state or local authority that must be obtained prior to commencement of construction;
3. Expiration of any deadline for filing a request for administrative review or consideration of any permit, approval or license issued by a federal, state or local authority that must be obtained prior to commencement of construction; and.
4. Conclusion of any proceeding for judicial review requested by any person whose substantial rights may be adversely affected or by any county, municipality or town having jurisdiction over land affected by a certificate of public convenience and necessity.

Further, provide that upon the request of the electric utility, the Commission may, for good cause shown, extend the time for commencement of construction.

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Note:

Under the motion, the current law definition of "electric utility" is any public utility, which is involved in the generation, distribution and sale of electric energy, and any corporation, company, individual or association, and any cooperative association, which owns or operates, or plans within the next three years to construct, own or operate, facilities in the state.

Under the motion, "commencement of construction" is currently defined as site clearing, excavation, placement of facilities or any other substantial action adversely affecting the natural environment of the site, but does not mean borings necessary to determine foundation conditions or other preconstruction monitoring to establish background information related to site or environmental suitability.

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
<del>SMITH</del>	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS \_\_\_\_\_

PUBLIC SERVICE COMMISSION

Universal Service Fund Annual Expenditure Increases

Limited to the Amount of Increase in the Consumer Price Index

Motion:

Move to limit the aggregate amount that the PSC may expend in any fiscal year from the Universal Service Fund (USF), first effective with the 2003-04 fiscal year, as follows: (1) establish the initial base year expenditure limit for the USF of \$6,900,000 SEG; (2) specify that for the first fiscal year of the new fiscal biennium [2003-04], the base year amount may not be increased by more than the amount of increase in the consumer price index for all urban consumers for the first fiscal year of the preceding biennium [2001-02]; (3) specify that for the second year of the new fiscal biennium [2004-05], the first year amount may not be increased by more than the amount of increase in the consumer price index for all urban consumers for the second fiscal year of the preceding biennium [2002-03]; and (4) specify that the adjusted second year amount would become the base year for determining the limit for the next fiscal biennium.

Further, authorize a telecommunication provider to establish and identify a surcharge on customer bills to collect the contributions that the telecommunication provider is required to make to the USF. Finally, authorize telecommunication providers to include on the customer bills the PSC's toll-free telephone number that would allow customers to contact the Commission about the fee.

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Note:

Currently, the PSC establishes a proposed biennial budget to fund USF activities that are established by rule and are in accordance with the statutory purposes of the Fund. Base level funding for the USF is \$6,900,000 SEG annually. The PSC has requested and the Governor has recommended a continuation of base level funding in each fiscal year of the 2001-03 biennium.

This motion would limit the increase in the amounts that the PSC could expend for USF

programs during a fiscal year (beginning in the 2003-04 fiscal year) and thereafter to not more than \$6,900,000 as adjusted annually by the amount of increase in the consumer price index (all urban consumers) as measured for the second preceding fiscal year.

Currently, the Commission designates the method by which USF contributions are calculated and collected. A telecommunication provider may adjust local exchange service rates for the purpose of recovering the cost of the USF from its customers however, a telecommunication provider may not establish a surcharge on customers' bills for the collection of these fees. This motion would allow the amount of the USF fee to be identified and collected on customers' bills.

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 8 NO 8 ABS

PUBLIC SERVICE COMMISSION -- AGENCYWIDE

Administrative Rules to Facilitate the Production of Distributed Energy

Motion:

Move to require the PSC to promulgate rules designed to facilitate, to the greatest extent possible, the interconnection and use of distributed electric power generation facilities to the state's electric power distribution grid.

Stipulate that the rules prescribe interconnection standards that shall be uniform across the state, regardless of the owner of the transmission facility to which connection is made and regardless of the distributed generation facility that is connected, except where engineering and regulatory concerns require additional interconnection standards.

Specify that engineering concerns include those related to safety and reliability of the electric grid and power quality. Specify that regulatory concerns include tariffs for a utility's distributed generation, nondiscriminatory fees that a utility may charge a distributed generation facility, the costs of upgrades to the electric grid; and other terms or conditions imposed by the utility on the distributed generation facility (such as liability insurance, indemnification and the transfer or sale of property).

Direct that the standards for the purchase of power by an electric utility from a distributive generation facility include all of the following: (1) use of a net metering tariff for a distributive generation facility of up to 20 kilowatts or the maximum load of the distributed generation facility's owner, whichever is greater; and (2) real-time pricing, so that the price paid by a utility for power placed on the grid by a distributed generation facility reflects the utility's cost of generation at that time.

Require that the draft administrative rules be submitted to the Legislative Council no later than the first day of the sixth month after the general effective date of the biennial budget act.

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Note:

Distributed generation refers to any form of energy generation used by electric consumers for power generation (such as photovoltaic cells, wind power, fuel cells, and the like) and may include small generators used by independent power producers.

Currently, in cases where distributed power generation is produced at small levels (less than 20 kilowatts), the PSC requires the person or business to be reimbursed at the rate that is equal to the amount that would have been charged for the use of electricity generated by the utility. For larger amounts of distributed power, the PSC requires the reimbursement is equal to the utility's avoided costs for the production of additional electricity (including consideration of the construction of plants, their maintenance and production of electricity had no distributed electricity been available).

This motion directs the PSC to promulgate rules to encourage the development and use of more distributed power facilities in the state.

MO# \_\_\_\_\_

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
<del>STRECKERT</del>	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS \_\_\_\_\_

PUBLIC SERVICE COMMISSION -- AGENCYWIDE

Refusal to Transfer Customers of Local Exchange Service Made a Prohibited Practice

Motion:

Move to prohibit a telecommunication utility, with respect to its regulated services, or any other telecommunications provider, with respect to its offering of local exchange services, to refuse to transfer or facilitate the transfer of customers of its local exchange service to another provider on the same terms and conditions that it receives from any other provider of local exchange service, unless such terms violate federal law.

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Note:

The PSC and federal FCC regulations require an incumbent local exchange carrier (the regional Bell operating companies and comparable local exchange companies) to transfer or facilitate the transfer of customers of its local exchange service to another provider (including to Competitive Local Exchange Carriers, or CLECs) on the same terms and conditions that it receives from any other provider of local exchange service.

This motion would make it a prohibited practice for any local exchange carrier (including CLECs) to engage in such practices as unreasonably delaying the transfer of local exchange service from one provider to another.

MO# \_\_\_\_\_

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
STADIECKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS \_\_\_\_\_

# Higher Educational Aids Board

## *Bill Agency*

(LFB Budget Summary Document: Page 418)

### LFB Summary Items for Which Issue Papers Have Been Prepared

Item #

Title

3 & 4

Academic Excellence Scholarship Program (Paper #530)  
Wisconsin Higher Education Grant and Tuition Grant Programs (Paper #531)

# PUBLIC SERVICE COMMISSION

## Agencywide

### LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1	Standard Budget Adjustments
3	Federal Revenue Reestimates
10	Elimination of Assessment Cap on Commission Expenses Related to its Review of Wholesale Merchant Plant Construction

### LFB Summary Items for Introduction as Separate Legislation

Item #	Title
5	Stray Voltage and Electrical Rewiring Assistance
6	Public Utility Exemption from Liability for Stray Voltage Damage
8	Energy Assessments of Proposed Administrative Rules
9	Revised Commission Enforcement Authority over Various Entities Providing Telecommunications Services

MO# \_\_\_\_\_

BURKE	Ⓞ	N	A
DECKER	Ⓞ	N	A
MOORE	Ⓞ	N	A
SHIBLESKI	Ⓞ	N	A
PLACHE	Ⓞ	N	A
WIRCH	Ⓞ	N	A
DARLING	Ⓞ	N	A
WELCH	Ⓞ	N	A
GARD	Ⓞ	N	A
KAUFERT	Ⓞ	N	A
ALBERS	Ⓞ	N	A
DUFF	Ⓞ	N	A
WARD	Ⓞ	N	A
HUEBSCH	Ⓞ	N	A
HUBER	Ⓞ	N	A
COGGS	Ⓞ	N	A

hb motion for Schooff

AYE 16 NO 0 ABS \_\_\_\_\_



## Legislative Fiscal Bureau

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May 16, 2001

Joint Committee on Finance

Paper #530

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### Academic Excellence Scholarship Program (HEAB)

[LFB 2001-03 Budget Summary: Page 418, #3 and Page 419, #4]

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#### CURRENT LAW

The academic excellence higher education scholarship (AES) program provides scholarships to selected 12<sup>th</sup> grade students who have the highest grade point average (GPA) in each public and private high school in the state and who attend a participating postsecondary institution in Wisconsin. The number of scholarships for which each high school is eligible is based on total student enrollment. For students who initially received a scholarship prior to 1996-97, the award covers full tuition and fees at a UW campus or technical college, or an amount equal to UW-Madison tuition and fees for students attending private institutions. A provision in the 1995-97 state budget act capped the total scholarship amount at \$2,250 per student, per academic year beginning with students enrolling as freshmen in the 1996-97 academic year.

Half of each scholarship is funded by the state, through a sum sufficient appropriation within the Higher Educational Aids Board (HEAB), and the other half is provided by the postsecondary institution.

#### GOVERNOR

Increase funding for the academic excellence scholarship program by \$62,000 annually to reflect a reestimate of the amount required to fully fund the scholarships in the 2001-03 biennium. Total funding would increase from \$2,855,000 in 2000-01 to \$2,917,000 in each year of the 2001-03 biennium.

In addition, change the name of the program to the "Governor Thompson scholarship program" and require HEAB, in any printed material or other information disseminated or

otherwise distributed by the Board, to refer to the program as the "Governor Thompson scholarship program" and to refer to students who receive the award as "Governor Thompson scholars."

## DISCUSSION POINTS

1. The AES program was created in 1989 Act 31 (the 1989-91 state budget act) after concerns were raised that many of the state's most academically qualified high school students were choosing to attend out-of-state colleges and were, therefore, less likely to settle in Wisconsin after completing their degrees. It was argued at the time that a primary cause of this "brain drain" was the lack of a nonneed-based scholarship program in the state. The AES awards, which initially covered full tuition and fees at a UW or WTCS institution or an amount equal to UW-Madison tuition for students attending private colleges, were intended to address this issue.

2. In order to evaluate the success of the program in accomplishing its intended purpose, in the spring of 2000, HEAB surveyed each of the 1,034 students who were eligible to receive grants or were alternates in 2000-01 and received responses from 848 (82.0%) students. Of the respondents, 746 chose to attend college in Wisconsin and 412 (55.2%) of these students indicated that the scholarship had influenced their decision to remain in the state. In addition, 10 of the respondents who attended out-of-state colleges stated that the AES award had prompted them to consider remaining in Wisconsin, although they ultimately chose an out-of-state college. A similar survey conducted by HEAB in 1995 of students who had been eligible to receive grants in 1990-91, found that 65% of the respondents that chose to attend college in Wisconsin were influenced by the AES scholarship.

3. The following table shows the participation rates in the program for freshmen, the number of AES recipients by class and HEAB's total expenditures for the program during the most recent four years.

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01*</u>
<b>Eligible Freshmen</b>	827	838	847	860
% Enrolled	81.1%	83.1%	82.5%	88.5%
<b>Enrolled Scholars</b>				
Freshman	671	704	736	763
Sophomore	631	630	694	651
Junior	595	608	630	622
Senior	<u>599</u>	<u>644</u>	<u>661</u>	<u>627</u>
Total Enrolled	2,496	2,586	2,721	2,665
<b>HEAB Expenditures</b>	\$3,169,600	\$3,130,300	\$2,846,800	\$2,898,500

\*Projected

4. The number of scholars, by class, decreases as students continue with their education. For example, at the end of 1999-00, 141 of the scholars had lost eligibility due to an insufficient number of credits or a GPA below the 3.000 minimum. However, some of these students may have regained eligibility and resumed receiving the scholarship in 2000-01.

5. In 1999-00, 2,270 (83.4%) of the enrolled scholars attended UW institutions, 47 (16.1%) attended private colleges and 14 (0.5%) attended technical colleges. A total of 1,366 (50.2%) scholars were enrolled at UW-Madison. The other campuses with the largest number of AES recipients were UW-Eau Claire (147), UW-La Crosse (132), Marquette University (130) and UW-Milwaukee (108).

6. According to HEAB, the additional funding reflects an increase in participation of eligible students due to a statutory change enacted under 1999 Act 9. Under prior law, if a student who was initially selected for the AES did not use the scholarship, the scholarship was awarded to an alternate with the same grade point average (GPA). However, a provision in Act 9 specified that this requirement does not apply to a high school that applies different weights to courses in determining each student's GPA. For these schools, if there are no other senior students with the same GPA as the originally designated scholar, the senior with the next highest grade point average would be named the alternate scholar. As a result, more students are eligible as alternates to receive the AES; in 1999-00, 69 alternates received scholarships.

### Scholarship Cap

7. The \$2,250 cap on the total amount of the scholarship was established to control the escalating cost of the program. In 1996-97, when the cap was first implemented for new freshman recipients, the maximum total award amount for all other scholars was \$3,100. At that time, on the two-year UW Colleges charged total tuition and fees that were below the cap of \$2,250. Now that all four classes, freshmen through seniors, have a tuition cap limiting their scholarship spending in the program has stabilized. Total tuition and fees exceeds the cap at all 26 UW campuses.

8. It has been suggested that the growing gap between the maximum AES amount and actual tuition and fees may erode the scholarship's influence on a recipient's decision to remain in the state and that the cap should be adjusted to reflect current higher tuition rates. For example, since the largest percentage of scholars enroll in the UW System, the cap could be increased by the same percentage by which UW tuition has increased since 1996-97. Applying the increases in tuition for resident undergraduates for 1997-98 (7.9%), 1998-99 (4.9%), 1999-00 (6.9%) and 2000-01 (0%) to the current cap would result in a new cap equal to \$2,725. Based on past participation rates in the program, raising the cap to \$2,725 for all AES students beginning in 2002-03 would cost an estimated \$641,300 in 2002-03 above the amount provided in the bill. However, at this level, the maximum scholarship would still be \$1,063 below total tuition and fees at the highest-cost campus (Madison) in 2000-01 and would not take into consideration tuition increases that will occur in the

2001-03 biennium.

9. Increases in UW tuition are determined by the Board of Regents and depend on the level of funding provided in the University's budget and on salary increases provided in the state's compensation plan. Actual tuition rates will not be approved by the Regents until July 2001 for the 2001-02 academic year and June 2002 for the 2002-03 academic year. If for estimating purposes, one assumes that tuition will increase by an average of 7% in each year of the 2001-03 biennium, the cap could be adjusted to \$3,120 to account for these increases as well as increases between 1997 and 2001. If this increase to the cap first applied to all AES students in 2002-03, the state's share of the cost of the program would increase by an estimated \$1,174,500 in 2002-03 above the amount provided in the bill. However, this type of link has not been made as a matter of policy, because the Legislature has no control over annual increases in tuition; instead, the non-elected Board of Regents that governs the UW System makes the tuition decisions. Linking the AES cap to changes in tuition could shift control over the level of GPR expenditures under this program to the decision of a non-elected board.

10. If the maximum scholarship amount were increased, the colleges at which the scholars enrolled would incur additional costs equal to those incurred by the state. Staffs at the WTCS Board and the Wisconsin Association of Independent Colleges and Universities indicate that technical colleges and private colleges are not likely to oppose an increase in the cap due to the relatively small number of scholars enrolled at a given campus and the desirability of these students to the campus. UW System staff indicate that the reaction of UW campuses to such an increase would depend on the amount of the increase and the number of scholars enrolled at the particular campus. Much of the University's share of the cost of the program is provided through tuition remissions. In 1999-00, remissions were used to fund approximately \$2.3 million of UW campuses' required \$2.46 million match. As such, any additional costs for the scholarships that are incurred by UW campuses are likely to be passed on to all other UW students in the form of higher tuition rates.

11. It is difficult to assess the impact of increasing the cap on the percentage of eligible students accepting the scholarship. In 1996-97, the first year that the cap was implemented, the percentage of students accepting the scholarship reached 86%, the highest in the program's history. Although the participation rate has dropped to an estimated 83% since then, this percentage is higher than in each year from 1990-91 through 1994-95. The 88.5% acceptance rate projected in 2000-01 reflects the law change relating to alternates, and is not directly comparable to prior years. In addition, a number of factors aside from affordability may influence a student's college selection. These include the school's reputation, overall or in a particular discipline, the physical attributes of the campus, contact with faculty members and the institution's recruitment efforts. Nonetheless, a 2000 survey of AES recipients conducted by HEAB found that the number students who were influenced by the AES to attend a Wisconsin school fell to 55% as compared to 65% in a similar survey conducted in 1990.

12. The state currently supports 10 need-based financial aid programs administered by HEAB. The bill would provide no annual increases in funding for the three largest of these programs, the Wisconsin higher education grant programs for UW and WTCS students and the

tuition grant program for students attending private colleges. Funding for six of the remaining seven need-based programs administered by HEAB as well as two need-based programs administered by the UW System, the Lawton minority undergraduate grant program and the advanced opportunity program (AOP), for minority and economically disadvantaged graduate students, would remain at the 2000-01 base level. Funding for the WHEG grant for tribal college students would increase by \$4,000 (1.0%) in 2002-03. One could argue that priority for additional funding should be given to these need-based programs, some of which have not received an increase in several years.

**Program Name**

13. The program's name was chosen by the Legislature when the program was created in the 1989-91 state budget; the name proposed at that time by the Governor was the "Governor's scholars program." Governor Thompson proposed changing the name to "Governor's scholars program" in the 1993-95, 1995-97, 1997-99 and 1999-01 biennia which was deleted by the Legislature in its deliberations on the budget bill in each biennium.

14. The Governor's current budget proposal would change the name of the AES program to the "Governor Thompson scholarship program." It could be argued that the program's current name honors the academic excellence of the state's brightest students, and that it should continue to reflect the academic nature of the program.

**ALTERNATIVES**

**A. Scholarship Cap**

1. Approve the Governor's recommendation to increase funding for the program by \$62,000 GPR annually to reflect a reestimate of the amount required to fully fund the scholarships in the 2001-03 biennium. The current cap of \$2,250 on the maximum total scholarship would be maintained.

2. Modify the Governor's recommendation by increasing the cap on the maximum total scholarship amount to \$2,725 for all AES students beginning in 2002-03 and increase funding for the program by \$641,300 in 2002-03 to provide the estimated amount necessary to fully fund the program under the new cap.

Alternative 2	GPR
2001-03 FUNDING (Change to Bill)	\$641,300

3. Modify the Governor's recommendation by increasing the cap on the maximum total scholarship amount to \$3,120 for all AES students beginning in 2002-03 and increase funding for the program by \$1,174,500 in 2002-03 to provide the estimated amount necessary to fully fund the program under the new cap.

**B. Program Name**

1. Approve the Governor's recommendation to change the name of the program to the Governor Thompson scholarship program and require HEAB, in any printed material or other information disseminated or otherwise distributed by the Board, to refer to the program as the "Governor Thompson scholarship program" and to refer to the students who receive the award as "Governor Thompson scholars."

2. Maintain current law.

*A-1*  
*B-2*  
*Gard*  
*A-1*  
*B-1*

Prepared by: John Stott

MO# A-1

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 10 NO 0 ABS 0

MO# B-2

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 6 NO 6 ABS 0



## Legislative Fiscal Bureau

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

May 16, 2001

Joint Committee on Finance

Paper #531

### Wisconsin Higher Education Grant and Tuition Grant Programs (HEAB)

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#### CURRENT LAW

The Wisconsin higher education grant (WHEG) program provides need-based grants to resident undergraduates enrolled at UW campuses, Wisconsin Technical College System (WTCS) institutions and tribal colleges. Students enrolled at least half-time are eligible for grants ranging from \$250 to \$1,800 per year for no more than 10 consecutive semesters. Funding for WHEG awards is provided in three separate appropriations within HEAB, one each for UW students, WTCS students and tribal college students. A provision in the 1999-01 budget created a new appropriation for WHEG awards to students attending tribal colleges in Wisconsin. These grants, which are funded with revenues from tribal gaming compacts, replaced grants that had been awarded to tribal college students under the tuition grant program.

The tuition grant (TG) program provides need-based grants to resident undergraduates who attend private, nonprofit postsecondary institutions in Wisconsin. Students enrolled at least half-time are eligible for grants ranging from \$250 to \$2,300 per year for no more than 10 semesters. The award amounts are determined using a statutory formula that relies in part on the amount by which the student's tuition exceeds UW-Madison tuition.

#### GOVERNOR

Maintain funding for the WHEG program for UW and WTCS students and the TG program during 2001-03 at the 2000-01 base funding level. The WHEG program for UW students base funding would remain at \$18,900,300 GPR annually, and for WTCS students funding would remain at \$13,201,900 GPR annually. The TG program funding would remain at \$21,038,600 GPR during each year of the 2001-03 biennium.

## DISCUSSION POINTS

1. HEAB currently administers nine, need-based financial aid programs totaling \$58,461,500 GPR. The WHEG and TG programs are the largest of these, accounting for approximately 90.9% of the total amount appropriated in 2000-01. In 1999-00, 9,306 students, or approximately 23% of all undergraduates attending Wisconsin private colleges, received TG awards. WHEG awards were provided to 16,669 UW students (15% of resident undergraduates), 15,173 WTCS students (19% of resident undergraduates enrolled at least half-time) and 299 tribal college students (37.5% of resident undergraduates enrolled at least half-time). The average grant amount was \$1,871 for private college students, \$1,011 for UW students and \$748 for WTCS students.

2. For each program, a different formula is used to distribute the available funds to students. Annually, by April 10, the UW Board of Regents, the WTCS Board, the Wisconsin Association of Independent Colleges and Universities and the two tribal colleges located in the state are each required to submit a proposed formula for the distribution of WHEG and TG grants to students attending their respective institutions for the following academic year. The number of students who will receive awards and the average amount of each award are determined by modifying the various formula factors. HEAB may approve or modify the recommended formulas. At its February 16, 2001, meeting, HEAB approved the formulas for distribution of the 2001-02 grants as recommended by the three sectors and the tribal colleges. Currently, WHEG grants are limited by statute to a minimum of \$250 and a maximum of \$1,800 per academic year, and TG program awards are limited to a minimum of \$250 and a maximum of \$2,300 per year.

3. Attempts are often made to link changes in funding for WHEG and TG programs to changes in tuition. The tuition policy of the Board of Regents asserts that GPR financial aid "should increase at a rate no less than that of tuition while staying commensurate with the increased student budget needs of students attending the UW System." The WTCS Board has not adopted such a policy.

4. The WTCS Board recently approved tuition increases for 2001-02 of 4.8% for students enrolled in postsecondary/vocational adult programs and 4.1% for students enrolled in college parallel programs. Tuition at private colleges in Wisconsin will increase by an average of 5.4% in 2001-02. Increases in UW tuition are determined by the Board of Regents and depend on the level of funding provided in the University's budget and on salary increases provided in the state's compensation plan. While actual UW tuition for 2001-02 will not be approved by the Regents until July 13, UW System staff and the Board of Regents have stated that they do not anticipate double-digit increases in regular tuition. Over the past ten years, UW resident undergraduate tuition has increased an average of approximately 5.5% per year.

5. Increasing WHEG and TG funding by the same percentage as the estimated increase in tuition will not necessarily guarantee that the tuition increase for an individual student will be offset by the financial aid increase. The change in the amount of award due to an increase in program funding depends on a number of factors including the number of eligible students and

adjustments made by HEAB to the formula factors. For example, additional funding provided for a program can be used to increase the number of students receiving awards rather than the average award amount. Further, costs other than tuition, such as room and board, books, transportation and miscellaneous expenses can account for over two-thirds of the cost of attending a UW campus or technical college. At private colleges, however, tuition can equal 75% or more of a student's total educational costs. For resident undergraduate students enrolled at least half-time in degree or certificate programs who filed for financial aid in 1999-00, WHEG and TG grants covered an average of approximately 4% of total costs for UW students, 4.7% for WTCS students and 5.2% for private college students.

6. Despite anticipated increases in tuition, the bill does not increase funding for the WHEG UW and WTCS programs or the TG program. According to staff from the Department of Administration, funding was maintained at 2000-01 levels due primarily to budget constraints. As passed by the Legislature, the 1999-01 budget included increases that corresponded with expected tuition increases over the biennium; however, in past biennia, the increases provided to the WHEG and TG programs have not been tied to tuition increases. This type of link has not been made as a matter of policy, because the Legislature has no control over annual increases in tuition; instead, non-elected boards that govern these institutions (the UW, WTCS and private colleges) make the tuition decisions. Linking these state GPR appropriations to the change in tuition would effectively cede control over these GPR expenditures to the collective decisions of non-elected boards.

7. WHEG funding under 1999 Act 9 was increased for technical college students by 6% annually, while actual tuition at WTCS increased between 3.9% and 6.5% in 1999-00 and between 3.8% and 5.7% in 2000-01. WHEG funding for UW students increased by 9.6% in 1999-00 and 0% in 2000-01, while tuition for resident undergraduates at UW increased 6.9% to 9.6% in 1999-00 and 0% in 2000-01. Funding for the TG program was increased by 7% annually, while average tuition at private colleges increased 5.3% in 1999-00 and 5.8% in 2000-01.

8. In 1999-00, total state-funded financial aid accounted for 12.1% of all need-based financial aid received by Wisconsin undergraduates, while the federal government provided 74.3% of the funds and institutions provided another 11.3%. Consequently, changes in federal funding and formulas have a much greater impact on the financial aid received by a student than changes in state funding.

9. The Bush administration has proposed increasing the budget for Pell grants, the main form of federal aid to college students, by \$1 billion, to \$9.8 billion for federal fiscal year 2001-02, which covers October 1, 2001 through September 30, 2002. Under the proposal, the maximum Pell Grant would be \$3,850, up \$100 from the current year. Since Congress has not yet acted on the administration's proposals, actual changes to federal financial aid programs are not known. Under the previous federal budget bill, the Pell Grant program experienced a 14.6% increase in funding along with a maximum award increase of \$450, and the Supplemental Education Opportunity Grant (SEOG), Federal Work Study (FWS) and Leveraging Education Assistance Partnerships (LEAP) all experienced an increase ranging from 8.2% to 37.5% in FY 01. Under the Bush administration proposal, funding for other student assistance would remain unchanged.

## ALTERNATIVES

### A. WHEG Program for UW Students

1. Approve the Governor's recommendation to maintain current law.
2. Provide the following amounts to increase funding for the WHEG program for UW students by the indicated percentages:

	Annual Increase	GPR Funding Change to Bill		
		2001-02	2002-03	Total
a.	1%	\$189,000	\$379,900	\$568,900
b.	2	378,000	763,600	1,141,600
c.	3	567,000	1,151,000	1,718,000
d.	4	756,000	1,542,300	2,298,300
e.	5	945,000	1,937,300	2,882,300
f.	6	1,134,000	2,336,100	3,470,100
g.	7	1,323,000	2,738,600	4,061,600

### B. WHEG Program for WTCS Students

1. Approve the Governor's recommendation to maintain current law.
2. Provide the following amounts to increase funding for the WHEG program for WTCS students by the indicated percentages:

	Annual Increase	GPR Funding Change to Bill		
		2001-02	2002-03	Total
a.	1%	\$132,000	\$265,300	\$397,300
b.	2	264,000	533,300	797,300
c.	3	396,100	804,000	1,200,100
d.	4	528,100	1,077,300	1,605,400
e.	5	660,100	1,353,200	2,013,300
f.	6	792,100	1,631,700	2,423,800
g.	7	924,100	1,912,900	2,837,000

**C. TG Program**

1. Approve the Governor's recommendation to maintain current law.
2. Provide the following amounts to increase funding for the TG program for private college students by the indicated percentages:

	Annual Increase	GPR Funding Change to Bill		
		2001-02	2002-03	Total
a.	1%	\$210,400	\$422,900	\$633,300
b.	2	420,800	850,000	1,270,800
c.	3	631,200	1,281,300	1,912,500
d.	4	841,500	1,716,700	2,558,200
e.	5	1,051,900	2,156,400	3,208,300
f.	6	1,262,300	2,600,400	3,862,700
g.	7	1,472,700	3,048,500	4,521,200

Prepared by: John Stott

MO# A-2(b) B-2(b)  
C-2(b)

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
<del>SHIBLISKI</del>	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 8 NO 8 ABS \_\_\_\_\_

MO# A-7(a) B-2(a)  
C-2(a)

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
<del>SHIBLISKI</del>	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 8 NO 8 ABS \_\_\_\_\_

*Plache taking lead*  
*Shiblski to make motions*  
*A-1 B-1 C-1*

HIGHER EDUCATIONAL AIDS BOARD

Tuition Grant Maximum Award

[LFB Paper #531]

Motion:

Move to eliminate the maximum grant statutory language under the Wisconsin tuition grant program and permit the Higher Educational Aids Board to set the maximum grant award if the Board determines, to the best of its ability, that increasing the grant maximum would not decrease the total number of grant recipients receiving an award.

Note:

This motion would eliminate the maximum grant statutory language under the Wisconsin tuition grant program and allow the Board to determine the maximum grant award if the Board determines, to the best of its ability, that increasing the grant maximum would not decrease the total number of grant recipients receiving an award. Currently, the maximum tuition grant is set at \$2,300 annually.

MO#	BURKE	DECKER	MOORE	SHIBICKI	PLACHE	WIRCH	DARLING	ZWELCH	GARD	KAUFERT	ALBERS	DUFF	WARD	HUEBSCH	HUBER	COGGS	AYE	NO	ABS
	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	15	1	0
	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	0	0	0
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0	0	0

Senator Burke  
Senator Plache  
Senator Shibilski

## HIGHER EDUCATIONAL AIDS BOARD

Link WHEG-UW, WHEG-TCS, MURG and Tuition Grant Increases to UW System Tuition

[LFB Paper #531]

### Motion:

Move to link annual increases in the appropriations for the Wisconsin Higher Education Grant for Wisconsin Technical College students (WHEG-TCS), University of Wisconsin students (WHEG-UW) the tuition grant for private colleges (TG) and the minority undergraduate retention grants program (MURG) to the average prior year increase for resident undergraduate tuition at UW System comprehensive institutions starting in 2002-03. Modify these appropriations from biennial sum certain to be sum sufficient appropriations.

Require the Higher Educational Aids Board (HEAB) to determine by February 1, 2002, and annually thereafter, the average percentage by which the undergraduate academic fees charged for the current academic year within the UW System at comprehensive institutions increased or decreased from the undergraduate academic fees charged for the previous academic year. The appropriation for the next fiscal year would be obtained by increasing, to the nearest \$100, the base amount appropriated for the previous year by the percentage change in academic fees during the current academic year. If the academic fees for the current academic year decreased or did not change from the undergraduate academic fees charged for the previous academic year, the appropriation would remain at the base amount. The "base amount" for determining the 2002-03 increase would be defined as the amount shown in the Chapter 20 appropriation schedule for the previous year, and in future years it would be the prior year funding amount.

Increase estimated funding for WHEG-TCS by \$924,100 GPR in 2002-03, increase funding for WHEG-UW by \$1,323,000 GPR in 2002-03 and increase funding for TG by \$1,472,700 GPR in 2002-03 and increase funding for MURG by \$48,500 GPR in 2002-03.

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### Note:

This motion would link annual increases for the WHEG-TCS, WHEG-UW and MURG need based aid program appropriations to the average annual increase of undergraduate resident tuition

during the prior academic year within the UW System.

The Board of Regents of the UW System is delegated the authority to set tuition. Under current law, the Board may set separate tuition rates for state residents and nonresidents and also for different classes of students, extension courses, summer sessions and special programs. The annualized rate of change in tuition for resident undergraduate students at UW-Madison was 7.3% from 1981-82 to 2000-01 and 5.7% from 1990-91 to 2000-01.

Assuming UW tuition would increase 7% in 2001-02, funding for WHEG-TCS would increase by \$924,100 in 2002-03 over the base of \$13,201,900 in 2001-02, WHEG-UW would increase by \$1,323,000 in 2002-03 over the base of \$18,900,300 in 2001-02, TG would increase by \$1,472,700 in 2002-03 over the base of \$21,038,600 in 2002-03 and MURG would increase by \$48,500 over the base of \$693,100.

[Change to Bill: \$3,768,300 GPR]

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
<hr/>			
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 8 NO 8 ABS \_\_\_\_\_

HIGHER EDUCATIONAL AIDS BOARD

Academic Excellence Scholarship—International Baccalaureate Option

Motion:

Move to give high schools the option to offer one of their academic excellence scholarships to the top high-school graduate of the International Baccalaureate (IB) Diploma Program if such a program is offered at the high school.

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Note:

This motion would allow the local school board the option to offer one of their academic excellence scholarships to the top high-school graduate receiving an IB diploma, if the IB diploma program is offered in the school district. Currently, the academic excellence scholarship program provides scholarships to selected 12<sup>th</sup> grade students who have the highest grade point average in each public and private high school in the state. The number of scholarships for which each high school is eligible is based on total student enrollment.

The IB program is a rigorous pre-university course of studies taken by a student in his or her junior and senior years in high school. A student must take courses in six subject areas and pass an examination in each in order to complete the program. In addition, the student is required to participate in community service or other extracurricular activities and write a 4,000-word essay. Currently, five high schools in the state offer the IB program.

MO#

2 BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
<del>SHIBELSKI</del>	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE 12 NO 4 ABS

HIGHER EDUCATIONAL AIDS BOARD

Minority Teacher Loan Program -- 8% Annual Funding Increase

Motion:

Move to increase funding for the minority teacher loan program by \$19,200 in 2001-02 and \$39,900 in 2002.

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Note:

This motion would increase funding for the minority teacher loan program by \$19,200 in 2001-02 and \$39,900 in 2002-03 over the 2000-01 base level of \$240,000. The additional funding would represent an annual increase of approximately 8% in 2001-02 and 8% in 2002-03.

The minority teacher loan program provides loans at five percent interest in amounts of up to \$2,500 per year to Wisconsin resident, minority, undergraduate juniors or seniors. Recipients must be enrolled at least half-time in programs leading to teacher licensure at an independent or UW institution. A student who participates in this program must agree to teach in a Wisconsin school district in which minority students constitute at least twenty nine percent of total enrollment or in a school district participating in the interdistrict pupil transfer program. For each year the student teaches in an eligible school district, 25% of the loan is forgiven. If the student does not teach in an eligible district, the loan must be repaid at an interest rate of 5%.

During the 1999-00 academic year, \$236,978 was expended for 117 students, averaging \$2,025 per student. As of 1999-00, 158 of the 632 students who have received loans under the program were enrolled in college, 201 students have repaid their loans or had them forgiven in full, 153 are in repayment or deferment, 115 were in process of having loans forgiven and five student were in default.

[Change to Bill: \$59,100 GPR]

MO#

MO#			
2	BURKE	Y	N A
	DECKER	Y	N A
	MOORE	Y	N A
	SHIBILSKI	Y	N A
	PLACHE	Y	N A
	WIRCH	Y	N A
	DARLING	Y	N A
	WELCH	Y	N A
	GARD	Y	N A
	KAUFERT	Y	N A
	ALBERS	Y	N A
	DUFF	Y	N A
	WARD	Y	N A
	HUEBSCH	Y	N A
	HUBER	Y	N A
	COGGS	Y	N A

AYE 8 NO 9 ABS

HIGHER EDUCATIONAL AIDS BOARD

Minority Undergraduate Grant Program -- Include First Year Students

Motion:

Move to expand the eligibility requirements for the minority undergraduate grant program to include first year students.

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Note:

This motion would expand eligibility for minority undergraduate grants to first year students. Currently, awards under the minority undergraduate grant program are made to resident minority undergraduates, excluding first year students. The student must be enrolled at least half-time at an independent or a Wisconsin technical college institution. Awards are based on financial need with a maximum grant of \$2,500 per semester, which can be received for up to eight semesters. During the 1999-00 academic year, \$356,838 was awarded to 348 technical college students with an average award of \$1,025. A total of 290 students attending private colleges received \$333,736 with an average award of \$1,151.

MO#

2	BURKE	Y	N	A
	DECKER	Y	N	A
1	MOORE	Y	N	A
	SHIBILSKI	Y	N	A
	PLACHE	Y	N	A
	WIRCH	Y	N	A
	DARLING	Y	N	A
	WELCH	Y	N	A
	GARD	Y	N	A
	KAUFERT	Y	N	A
	ALBERS	Y	N	A
	DUFF	Y	N	A
	WARD	Y	N	A
	HUEBSCH	Y	N	A
	HUBER	Y	N	A
	COGGS	Y	N	A

AYE 8 NO 8 ABS

HIGHER EDUCATIONAL AIDS BOARD

Study on State Payment of First Two Years of Postsecondary Education

Motion:

Move to require the Department of Administration (DOA) to undertake a study of the development and implementation of a tuition grant program that provides state payment of two years of postsecondary education. Require the DOA to include representatives from the Higher Educational Aids Board (HEAB), the Department of Public Instruction (DPI), the University of Wisconsin System (UW), the Wisconsin Technical College System (WTCS) and the Department of Workforce Development (DWD) as part of the study team. Require the DOA to submit a report on the results of the study to the Governor and Legislature by July 1, 2002.

MO#				
2	BURKE	Y	N	A
	DECKER	Y	N	A
	MOORE	Y	N	A
	SHIBILSKI	Y	N	A
	PLACHE	Y	N	A
	WIRCH	Y	N	A
	DARLING	Y	N	A
	WELCH	Y	N	A
	GARD	Y	N	A
	KAUFERT	Y	N	A
	ALBERS	Y	N	A
	DUFF	Y	N	A
	WARD	Y	N	A
	HUEBSCH	Y	N	A
	HUBER	Y	N	A
	COGGS	Y	N	A

AYE 8 NO 8 ABS \_\_\_\_\_

Moore - minority undergrad \$  
Hulver - international bac. program  
Shihitski - minority pre college  
scholarships

- private college \$ to  
HEAB (for profits)  
- truck driver training (university)  
- \$ surcharge truck lines  
training

# HIGHER EDUCATIONAL AIDS BOARD

## LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1	Standard Budget Adjustments
5	SASI Initiative
6	Reestimate Federal Revenues
10	Minority Undergraduate Retention Grant Report
11	Clarify Appropriation Language

## LFB Summary Items to be Addressed in a Subsequent Paper

Item #	Title
2	Base Funding Reduction
7	Mainframe Upgrade Project
8	Indian Student Assistance Grant Program Funding
9	WHEG Program for Tribal College Students

- 2nd part of Alt 3  
 - Alt 3  
 - increase aids by  
 \$1 mil each year

MC#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
CRUMBART	Y	N	A
CRIBLSON	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_

# Wisconsin Technical College System

## *Bill Agency*

(LFB Budget Summary Document: Page 712)

### **LFB Summary Items for Which Issue Papers Have Been Prepared**

<u>Item #</u>	<u>Title</u>
3	Technical and Occupational Program Grants (Paper #1010)
4	Capacity Grant Program Transfer and Funding Reduction (Paper #1011)
-	General Aids for Technical College Districts (Paper #1012)

**AGENCY:** Wisconsin Technical College System

**ISSUE:** Technical Occupational Program Grants

**ALTERNATIVE:** expect motion from Huber

**SUMMARY:**

This was created in the last budget to help recent graduates go to tech school with \$500 grants in each of two years of study. The gov recommends a modest increase (the only GPR increase he proposes for tech schools).

This program is not income based, and this may be one change Huber or others may propose. Most people using the program, however, are of modest means.

Huber, or others, might, at a minimum, suggest taking the \$1.9 million increase (or full \$6.6 million) and using it for additional course sections or other WTCS costs. This is not worth going to war.

Bottom line, if this program is cut, try to keep money within WTCS.

**By:** Bob

Decker <sup>chuck</sup> really likes program  
- Huber hates it  
2 motions ① similar to Alt. 4  
② similar to Alt. 3  
They want Alt. 1 or 2  
Decker motion to expand to GED recipients