



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1364/P5
MDK/ZDW/FFK:ahe/kjf/wlj

DOA:.....Leroy, BB0212 - Restructure broadband expansion grants and
continue TEACH infrastructure grants

FOR 2017-2019 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

NATURAL RESOURCES

OTHER NATURAL RESOURCES

The bill prohibits DNR from requiring any appraisal or charging any fee prior to granting an easement for the construction of broadband infrastructure in underserved areas.

STATE GOVERNMENT

PUBLIC UTILITY REGULATION

The bill makes changes to funding for grants made by the PSC for constructing broadband infrastructure in underserved areas. Under current law, \$6,000,000 was transferred from the universal service fund (USF) for making the grants, but current law also limits the total grants made in a fiscal year to \$1,500,000. The bill eliminates that limit. The bill also provides additional funding for the grants by doing the following: 1) transferring an additional \$6,000,000 from the USF; 2) transferring \$5,000,000 from moneys received under a federal program for assisting schools and libraries in obtaining telecommunications services and Internet access, which is commonly known as the federal e-rate program; and 3) at the end of each fiscal year, transferring the unencumbered balances from other USF-funded appropriations. Also, beginning July 1, 2018, the bill allows the PSC to fund its

duties regarding broadband expansion from contributions made by telecommunications providers to the USF.

During fiscal year 2017-18, the bill allows the PSC to allocate a portion of the funding provided under the bill to make the grants described above to telecommunications utilities that are receiving support for broadband deployment under certain federal programs administered by the Federal Communications Commission. During that fiscal year, the bill allows the PSC to evaluate applications and award the grants to those telecommunications utilities on an expedited basis.

OTHER STATE GOVERNMENT

Under current law, the Technology for Educational Achievement program, known as TEACH, offers telecommunications access to school districts, private schools, cooperative educational service agencies, technical college districts, independent charter school authorizers, juvenile correctional facilities, private and tribal colleges, and public library boards at discounted rates and by subsidizing the cost of installing data lines and video links. As part of the TEACH program, DOA awards information technology block grants to school districts to improve information technology infrastructure. Under current law, the information technology block grant program ends on July 1, 2017.

This bill continues the information technology block grant program until July 1, 2019, and expands the permitted uses of grants under the program to include providing mobile hotspots on buses and purchasing mobile hotspots for individuals to borrow from schools. However, the eligibility for these grants in the 2017-18 fiscal year is expanded to include school districts that have up to 26 pupils per square mile. The bill also consolidates the appropriations for TEACH contracts into a single appropriation. Finally, in fiscal year 2017-18, the bill transfers \$7,500,000 of moneys received under the federal e-rate program to the consolidated appropriation for TEACH contracts.

TRANSPORTATION

OTHER TRANSPORTATION

The bill prohibits DOT from charging any fee for the initial issuance of any permit necessary to construct broadband infrastructure in underserved areas.

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

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

SECTION 1. 16.9945 of the statutes is created to read:

16.9945 Information technology block grants. (1) COMPETITIVE GRANTS.

In fiscal years 2017-18 and 2018-19, the department may annually award grants

on a competitive basis to eligible school districts for the purpose of improving information technology infrastructure. For purposes of awarding grants under this section, “improving information technology infrastructure” includes purchasing and installing on a bus a portable device that creates an area of wireless Internet coverage and purchasing for individuals to temporarily borrow from a school a portable device that creates an area of wireless Internet coverage. In awarding grants under this section, the department shall give priority to applications for school districts in which the percentage of pupils who satisfy the income eligibility criteria under [42 USC 1758](#) (b) (1) for a free or reduced-price lunch is greater than in other applicant school districts. The department shall require an applicant for a grant under this section to provide all of the following:

(a) A description of the specific information technology infrastructure, including any equipment, that the applicant intends to purchase with grant proceeds.

(b) The applicant’s plan to purchase, install, and use the information technology infrastructure described in par. (a).

(c) A description of the applicant’s readiness to use information technology infrastructure purchased with grant proceeds.

(2) ELIGIBLE SCHOOL DISTRICTS. (a) A school district is eligible for a grant under this section in fiscal year 2017-18 if the school district’s membership in the previous school year divided by the school district’s area in square miles is 26 or less.

(b) A school district is eligible for a grant under this section in fiscal year 2018-19 if the school district’s membership in the previous school year divided by the school district’s area in square miles is 13 or less.

SECTION 1

(3) MAXIMUM AWARDS. The total amount the department may award to an eligible school district under sub. (1) during a fiscal biennium may not exceed the following:

(a) If the membership of the eligible school district is fewer than 750 pupils, \$30,000.

(b) If the membership of the eligible school district is 750 pupils to 1,500 pupils, \$40 multiplied by the school district's membership.

(c) If the membership of the eligible school district is more than 1,500 pupils, \$60,000.

(4) FUNDING LIMITATION. (a) The department may not award grants under this section that total more than \$15,000,000 in the 2017-18 fiscal year.

(b) The department may not award grants under this section that total more than \$7,500,000 in the 2018-19 fiscal year.

(5) SUNSET. The department may not award grants under this section after July 1, 2019.

SECTION 2. 20.155 (1) (q) of the statutes is amended to read:

20.155 (1) (q) *Universal telecommunications service; broadband service*. From the universal service fund, the amounts in the schedule for the promotion of broadband service and universal telecommunications service for the purposes specified in s. 196.218 (5) (a) 1., 4., 8. ~~and 9.~~, and 10. Notwithstanding s. 20.001 (3) (a), the unencumbered balance on June 30 of each year shall be transferred to the appropriation account under sub. (3) (r).

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

SECTION 3. 20.155 (3) (r) of the statutes is amended to read:

20.155 (3) (r) *Broadband expansion grants.* From the universal service fund, ~~as a continuing appropriation, the amounts in the schedule all moneys transferred from the appropriation accounts under sub. (1) (q) and ss. 20.255 (1) (q) and (3) (q), (qm) and (r), 20.285 (1) (q) and 20.505 (4) (s), under 2015 Wisconsin Act 55, section 9236 (1v), and under 2017 Wisconsin Act ... (this act), section 9237 (1) and (2) (a), for broadband expansion grants under s. 196.504. All moneys transferred under 2015 Wisconsin Act 55, section 9236 (1v) shall be credited to this appropriation account.~~

SECTION 4. 20.255 (1) (q) of the statutes is amended to read:

20.255 (1) (q) *Digital learning collaborative.* From the universal service fund, the amounts in the schedule for a digital learning collaborative for the statewide web academy and for the delivery of digital content and collaborative instruction under s. 115.28 (53) and (54). Notwithstanding s. 20.001 (3) (a), the unencumbered balance on June 30 of each year shall be transferred to the appropriation account under s. 20.155 (3) (r).

SECTION 5. 20.255 (3) (q) of the statutes is amended to read:

20.255 (3) (q) *Periodical and reference information databases; Newsline for the Blind.* From the universal service fund, the amounts in the schedule for the Newsline for the Blind, provided by the Regional Library for the Blind and Physically Handicapped, and to contract for periodical and reference information databases under s. 115.28 (26). Notwithstanding s. 20.001 (3) (a), the unencumbered balance on June 30 of each year shall be transferred to the appropriation account under s. 20.155 (3) (r).

SECTION 6. 20.255 (3) (qm) of the statutes is amended to read:

20.255 (3) (qm) *Aid to public library systems.* From the universal service fund, the amounts in the schedule for state aid to public library systems under s. 43.24.

Notwithstanding s. 20.001 (3) (a), the unencumbered balance on June 30 of each year shall be transferred to the appropriation account under s. 20.155 (3) (r).

SECTION 7. 20.255 (3) (r) of the statutes is amended to read:

20.255 (3) (r) *Library service contracts.* From the universal service fund, the amounts in the schedule for library service contracts under s. 43.03 (6) and (7).

Notwithstanding s. 20.001 (3) (a), the unencumbered balance on June 30 of each year shall be transferred to the appropriation account under s. 20.155 (3) (r).

SECTION 8. 20.285 (1) (q) of the statutes is amended to read:

20.285 (1) (q) *Telecommunications services.* From the universal service fund, the amounts in the schedule to provide telecommunications services as specified in s. 196.218 (5) (a) 6. Notwithstanding s. 20.001 (3) (a), the unencumbered balance on June 30 of each year shall be transferred to the appropriation account under s. 20.155 (3) (r).

SECTION 9. 20.505 (4) (s) of the statutes, as affected by [2015 Wisconsin Act 55](#), is amended to read:

20.505 (4) (s) *School districts; telecommunications* *Telecommunications access for educational agencies, infrastructure grants, and teacher training grants.* Biennially, from the universal service fund, the amounts in the schedule to make payments to telecommunications providers under contracts under s. 16.971 (13), (14), and (15) to the extent that the amounts due are not paid from the appropriation under sub. (1) (is), to make payments to telecommunications providers under contracts under s. 16.971 (16) to the extent that the amounts due are not paid from the appropriation under sub. (1) (kL), to make grants to school district consortia under s. 16.997 (7), to make information technology infrastructure grants under s. 16.9945, and to make educational technology teacher training grants under s.

16.996. Notwithstanding s. 20.001 (3) (b), the unencumbered balance on June 30 of each odd-numbered year shall be transferred to the appropriation account under s. 20.155 (3) (r).

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

SECTION 10. 20.505 (4) (s) of the statutes, as affected by 2017 Wisconsin Act ... (this act), is amended to read:

20.505 (4) (s) *Telecommunications access for educational agencies, infrastructure grants, and teacher training grants.* Biennially, from the universal service fund, the amounts in the schedule to make payments to telecommunications providers under contracts under s. 16.971 (13), (14), and (15) to the extent that the amounts due are not paid from the appropriation under sub. (1) (is), to make payments to telecommunications providers under contracts under s. 16.971 (16) to the extent that the amounts due are not paid from the appropriation under sub. (1) (kL), to make grants to school district consortia under s. 16.997 (7), ~~to make information technology infrastructure grants under s. 16.9945,~~ and to make educational technology teacher training grants under s. 16.996. Notwithstanding s. 20.001 (3) (b), the unencumbered balance on June 30 of each odd-numbered year shall be transferred to the appropriation account under s. 20.155 (3) (r).

SECTION 11. 20.505 (4) (t) of the statutes is repealed.

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

SECTION 12. 20.505 (4) (tm) of the statutes is repealed.

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

SECTION 13. 20.505 (4) (tu) of the statutes is repealed.

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

SECTION 14. 20.505 (4) (tw) of the statutes is repealed.

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

SECTION 15. 24.40 (3) of the statutes is created to read:

24.40 (3) Notwithstanding s. 28.02 (5) or any contrary rule promulgated by the department, if the department grants an easement under sub. (1) for the construction of broadband infrastructure in underserved areas, as designated under s. 196.504 (2) (d), the department may not require any appraisal or the payment of any fee to secure the easement.

SECTION 16. 86.07 (2) (a) of the statutes is amended to read:

86.07 (2) (a) Subject to par. (b) and s. 86.16 (1m) (a) 2. and (c) and (6), no person shall make any excavation or fill or install any culvert or make any other alteration in any highway or in any manner disturb any highway or bridge without a permit therefor from the highway authority maintaining the highway. Such permit shall contain the statement and be subject to the condition that the work shall be constructed subject to such rules and regulations as may be prescribed by said authority and be performed and completed to its satisfaction, and in the case of temporary alterations that the highway or bridge shall be restored to its former condition, and that the permittee shall be liable to the town or county or state, as the case may be, for all damages which occur during the progress of said work or as a result thereof. Nothing herein shall abridge the right of the department, the county board or its highway committee, or any other local authority to make such additional rules, regulations and conditions not inconsistent herewith as may be deemed necessary and proper for the preservation of highways, or for the safety of the public, and to make the granting of any such permit conditional thereon. If any culvert is

installed or any excavation or fill or any other alteration is made in violation of the provisions of this paragraph, the highway or bridge may be restored to its former condition by the highway authority in charge of the maintenance thereof at the expense of the violator; and any person who violates this paragraph shall be punished by a fine of not less than \$50 nor more than \$500, or by imprisonment not exceeding 6 months, or both.

SECTION 17. 86.16 (6) of the statutes is created to read:

86.16 (6) If the department consents under sub. (1) to the construction of broadband infrastructure in underserved areas, as designated under s. 196.504 (2) (d), the department may not charge any fee for the initial issuance of any permit necessary to construct broadband infrastructure along, across, or within the limits of a highway.

SECTION 18. 118.40 (2r) (e) 2p. a. of the statutes, as affected by [2015 Wisconsin Act 55](#), is amended to read:

118.40 (2r) (e) 2p. a. Add the amounts appropriated in the current fiscal year under s. 20.255 (2), except s. 20.255 (2) (ac), ~~(az)~~, (bb), ~~(df)~~, ~~(dg)~~, ~~(dj)~~, (fm), (fr), (fu), (k), and (m); and s. 20.505 (4) (es); and the amount, as determined by the secretary of administration, of the appropriation under s. 20.505 (4) (s) allocated for payments to telecommunications providers under contracts with school districts and cooperative educational service agencies under s. 16.971 (13), for grants to school district consortia under s. 16.997 (7), and to make educational technology teacher training grants under s. 16.996.

***NOTE: This is reconciled s. 118.40 (2r) (e) 2p. a. This SECTION has been affected by drafts with the following LRB numbers: -1364/P4, -1766/P2, and -1826/P2.

SECTION 19. 196.218 (3) (a) 3. b. of the statutes is amended to read:

SECTION 19

196.218 (3) (a) 3. b. The amounts appropriated under ss. 20.255 (1) (q) and (3) (q), (qm), and (r), 20.285 (1) (q), and 20.505 (4) (s), ~~(t), (tm), (tu), and (tw)~~.

SECTION 20. 196.218 (5) (a) 10. of the statutes is amended to read:

196.218 (5) (a) 10. To make broadband expansion grants and carry out the commission's duties under s. 196.504.

SECTION 21. 196.504 (1) (a) of the statutes is renumbered 196.504 (1) (ac).

SECTION 22. 196.504 (1) (ab) of the statutes is created to read:

196.504 (1) (ab) "A-CAM support" means support for the deployment of voice and broadband-capable networks from the federal Connect America Fund that is made to telecommunications utilities regulated as rate-of-return carriers by the federal communications commission and that is based on the federal communications commission's Alternative Connect America Cost Model.

SECTION 23. 196.504 (1) (ad) of the statutes is created to read:

196.504 (1) (ad) "Phase II support" means the federal communications commission's 2nd phase of support for rural broadband deployment from the federal Connect America Fund that is made to telecommunications utilities regulated as price cap carriers by the federal communications commission.

SECTION 24. 196.504 (2) (a) of the statutes is amended to read:

196.504 (2) (a) To make broadband expansion grants to eligible applicants for the purpose of constructing broadband infrastructure in underserved areas designated under par. (d). Grants awarded under this section shall be paid from the ~~appropriation~~ appropriations under s. 20.155 (1) (q) and (3) (r). ~~In each fiscal year, the total amount of the grants may not exceed \$1,500,000.~~

SECTION 25. 196.504 (2) (e) of the statutes is created to read:

196.504 (2) (e) During fiscal year 2017-18, to allocate a portion of the amount appropriated under s. 20.155 (3) (r), in an amount determined by the commission, for making broadband expansion grants under this section to telecommunications utilities receiving A-CAM or phase II support. Notwithstanding the priorities specified in par. (c), the commission may evaluate applications and award broadband expansion grants under this paragraph on an expedited basis.

SECTION 9237. Fiscal changes; Public Service Commission.

(1) UNIVERSAL SERVICE FUND TRANSFER. There is transferred from the universal service fund to the appropriation account under section 20.155 (3) (r) of the statutes \$6,000,000 in the 2017-18 fiscal year.

(2) FEDERAL E-RATE TRANSFER.

(a) There is transferred from the appropriation account under section 20.505 (4) (mp) of the statutes to the appropriation account under section 20.155 (3) (r) of the statutes \$5,000,000 in the 2017-18 fiscal year.

(b) There is transferred from the appropriation account under section 20.505 (4) (mp) of the statutes to the universal service fund \$7,500,000 in fiscal year 2017-18.

SECTION 9333. Initial applicability; Natural Resources.

(1) FEE WAIVERS. The treatment of sections 24.40 (3) and 86.16 (6) of the statutes first applies to easements granted or construction permits issued on the effective date of this subsection.

SECTION 9401. Effective dates; Administration.

(1) INFORMATION TECHNOLOGY INFRASTRUCTURE FUNDING; SUNSET. The treatment of section 20.505 (4) (s) (by SECTION 10) of the statutes takes effect on July 1, 2019.

SECTION 9437. Effective dates; Public Service Commission.

(1) BROADBAND GRANT ADMINISTRATION. The treatment of section 196.218 (5) (a) 10. of the statutes takes effect on July 1, 2018.

(END)